

TRANSPORTATION

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SOUTHERN CALIFORNIA RAPID TRANSIT

DISTRICT LAW

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With Corresponding Provisions Of The  
Los Angeles Metropolitan Transit Authority  
Act Of 1957 (As Amended)

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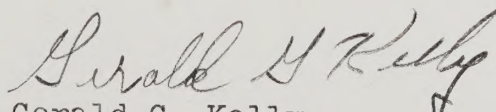
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SOUTHERN CALIFORNIA RAPID  
TRANSIT DISTRICT LAW

The attached includes, on the even numbered pages, the complete text of the Southern California Rapid Transit District Law (Part 3 of Division 10 of the Public Utilities Code) and, on the opposite odd numbered pages, the most closely corresponding provisions of the Los Angeles Metropolitan Transit Authority Act of 1957 (Chapter 547, Statutes of 1957, as amended).

Sections of the Southern California Rapid Transit District Law are placed in the order in which they appear in the Public Utilities Code.

All sections of the Los Angeles Metropolitan Transit Authority Act of 1957 are included, and may be located through the use of the chart commencing on page iv.

  
Gerald G. Kelly  
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SOUTHERN CALIFORNIA RAPID TRANSIT  
DISTRICT LAW

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With Corresponding Provisions Of The  
Los Angeles Metropolitan Transit Authority  
Act of 1957 (As Amended)

SOUTHERN CALIFORNIA RAPID TRANSIT DISTRICT LAW

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Provisions of LAMTA Act Most Closely Corresponding  
with Section 30000 of SCRTD Law

Sec. 1.2. This act shall be known and cited as the  
"Los Angeles Metropolitan Transit Authority Act of 1957."



CHAPTER 1. GENERAL PROVISIONS AND DEFINITIONS

30000. This part shall be known as the Southern California Rapid Transit District Law.

Provisions of LAMTA Act Most Closely Corresponding  
With Section 30001 of SCRTD Law

Sec. 1.1. It is hereby declared to be the policy of the State of California to develop mass rapid transit systems in the various metropolitan areas within the State for the benefit of the people. A necessity exists within Los Angeles County (hereinafter sometimes called "metropolitan area") for such a system. Because of the numerous separate municipal corporations and unincorporated populated areas in the metropolitan area hereinbefore described, only a specially created authority can operate effectively in said metropolitan area. Because of the unique problem presented by that metropolitan area and the facts and circumstances relative to the establishment of a mass rapid transit system therein, the adoption of a special act and the creation of a special authority is required.



30001. The Legislature hereby finds and declares:

- (a) There is an imperative need for a mass rapid transit system in the Southern California area, and particularly in Los Angeles County.
- (b) In view of the limited powers of the Los Angeles Metropolitan Transit Authority (herein sometimes referred to as "authority") it has become apparent that the authority is unable to solve the transit problems of the Southern California area and provide the needed mass rapid transit system.
- (c) It is, therefore, necessary to provide a successor corporation to the authority, to wit: a transit district, and to establish such transit district governed by representatives of the governmental agencies in the Southern California area so that there will be sufficient power and authority to solve the transportation problems in the Southern California area and to provide the needed mass rapid transit system.

LAMTA Act

Provisions of LAMTA Act Most Closely Corresponding  
with Section 30002 of the SCRTD Law

Sec. 12.1. This act shall be liberally construed to carry out the objects and purposes and the declared policy of the State of California as in this act set forth.

30002. The part shall be liberally construed to carry out the objects and purposes and the declared policy of the State of California as in this part set forth.



Provisions of LAMTA Act Most Closely Corresponding  
with Sections 30003-30007 of SCRTD Law

Sec. 2.1. When the terms defined in this chapter are used in this act, they have the meanings ascribed to them in this chapter unless the context of this act expressly provides to the contrary.

Sec. 2.2. "Authority" means the Los Angeles Metropolitan Transit Authority created by this act.

Sec. 2.3. "Bonds" means the written evidence of any obligation incurred by the authority payable out of revenues as provided in this act in order to secure funds with which to carry out the purposes of this act irrespective of the form of such obligations, whether in the form of bonds, notes, debentures, interest-bearing certificates or other forms prescribed by the authority.

Sec. 2.4. "Indenture" means an agreement entered into by the authority pursuant to which revenue bonds are issued, regardless of whether such agreement is expressed in the form of a resolution of the authority or by other instrument.

Sec. 2.5. The term "bondholder" or "holder of bonds" or any similar term means any person who shall be the bearer of any outstanding revenue bond or bonds, registered to bearer, or not registered, or the registered owner of any such outstanding revenue bond or bonds which shall at the time be registered other than to bearer.

Sec. 2.6. "Metropolitan area" means the area described in the second sentence of Section 1.1 of this act.

Sec. 2.7. "Mass rapid transit" means transportation of passengers, mail and hand baggage by means of motor bus, trolley coach, street railway, rail, suspended overhead rail, elevated railway, subway, or any other surface, overhead or underground transportation or any combination thereof.

Sec. 2.75. "Mass rapid transit" shall not include the transportation of passengers by means of a chartered bus, a sightseeing bus, a school bus, a taxicab, or by any other vehicle except on an individual passenger fare-paying basis. Nothing in this section shall be construed to prohibit the authority from leasing its buses to privately operated charter or sightseeing companies.

Sec. 2.8. "System" means all real and personal property of every kind and nature whatsoever owned or held at any time

(contd. on p.9)

30003. Unless the context otherwise requires, the provisions of this chapter govern the construction of this part.

30004. "District", as used in this part, means the Southern California Rapid Transit District.

30005. "Rapid transit", as used in this part, means the transportation of passengers only and their incidental baggage by means other than by chartered bus, sightseeing bus, taxi, or any other motor vehicle not on an individual passenger fare-paying basis. Nothing in this section shall be construed to prohibit the district from leasing its buses to private certified public carriers or to prohibit the district from providing school bus

Provisions of LAMTA Act Most Closely Corresponding  
with Sections 30003-30007 of SCRTD Law (contd. from p.7)

by the authority for mass rapid transit, including (without limiting the generality of the foregoing) rights of way, rail lines, bus lines, stations, platforms, terminals, structures, rolling stock, equipment, and facilities (including parking and other facilities necessary or convenient for access of persons and vehicles to stations, terminals, yards, control houses, cars, busses, signals and stations).

"Existing system" means all real and personal property of every kind and nature whatsoever, owned or held by any person other than the authority for mass rapid transit, including (without limiting the generality of the foregoing) licenses, franchises, patents, rights and interests.

Sec. 2.9. "Revenues" means all rates, fares, tolls, rentals or other income and revenue actually received or receivable by or for the account of the authority from the operation of the system, including, without limiting the generality of the foregoing, interest allowed on any moneys or securities and any profits derived from the sale of any securities and any consideration in any way derived from any properties owned, operated or at any time maintained by the authority.

Sec. 2.10. "Governor" means the Governor of the State of California.

Sec. 2.11. The term "person" as used in this act includes any individual, firm, copartnership, association, corporation, trust, business trust or receiver or trustee or conservator for any thereof, but does not include any department or agency of this State or any public corporation, as defined in this act.

Sec. 2.12. The term "public corporation" as used in this act means any county, city and county, city, town, municipal corporation, district of any kind or class, authority, or political subdivision of this State.

Sec. 2.13. As used in this act:

(a) The present tense includes the past and future tenses; and the future, the present.

(b) The masculine gender includes the feminine and neuter.

(c) The singular number includes the plural, and the plural the singular.

(d) "Shall" is mandatory and "may" is permissive.



service for the transportation of pupils between their homes and schools.

30006. "Board of directors", "board", or "directors", as used in this part, means the board of directors of the district.

30007. "Public agency", as used in this part, includes the State of California, and any county, city and county, city, district, or other political subdivision or public entity of, or organized under the laws of, this State.

Provisions of LAMTA Act Most Closely Corresponding  
with Section 30100 of SCRTD Law

Sec. 3.1. There is hereby created the "Los Angeles Metropolitan Transit Authority".

Sec. 3.3. The territorial limits of the authority shall not be diminished or decreased so long as any bonds issued under this act are outstanding and unpaid. Bonds shall not be deemed outstanding within the meaning of this section if moneys sufficient to pay the same and all interest thereon have been set aside irrevocably in a special or trust fund for that purpose and the indenture under which such bonds were issued provides that such bonds shall not be deemed to be outstanding in such event.

[See LAMTA Act Sections 1.1 (page 3) and 6.11 (page 187) concerning the territorial limits of the authority.]

## CHAPTER 2. CREATION OF DISTRICT

30100. There is hereby created the Southern California Rapid Transit District, comprising that territory hereinafter described in this section lying within the boundaries of the County of Los Angeles and such territory in the County of Los Angeles and in other counties as may be hereafter annexed to the district as provided in this part. The territory within the County of Los Angeles which is hereby created into such district is described as follows:

All that portion of the County of Los Angeles, State of California, lying southerly of the north line of Township 4 North S.B.B. & M., and westerly of the east line of Range 15 West S.B.B. & M., and all that portion of the remainder of said county lying southerly of the north line of Township 2 North S.B.B. & M., excepting therefrom the islands of Santa Catalina and San Clemente.



Provisions of LAMTA Act Most Closely Corresponding  
with Section 30101 of SCRTD Law

[First paragraph of] Sec. 3.2. The authority is a public corporation of the State of California. The authority is not a "state agency" as defined by Section 11000 of the Government Code. The powers of the authority are those granted by this act, and the powers granted by this act are not restricted or qualified by Title 2 of the Government Code. Without limiting the generality of the foregoing, the provisions of Chapter 3 (commencing with Section 13290) of Part 3 of Division 3 of Title 2 of the Government Code shall not be applicable to the authority.

\* \* \*

30101. The district created in accordance with the provisions of this part is a public corporation created for the purposes set forth in this part.

Provisions of LAMTA Act Most Closely Corresponding  
with Section 30200 of SCRTD Law

[See LAMTA Act Section 3.4 on page 17  
concerning LAMTA board of directors  
generally.]

[See LAMTA Act Section 3.6(a) on page 59  
concerning delegation of powers to  
officers.]



## CHAPTER 3. GOVERNMENT OF DISTRICT

## Article 1. Board of Directors

30200. All powers, privileges and duties vested in or imposed upon the district shall be exercised and performed by and through a board of directors; provided, however, that the exercise of any and all executive, administrative, and ministerial power may be delegated and redelegated by the board of directors to any of the offices and officers created pursuant to this part or created by the board of directors acting pursuant to this part.

Provisions of LAMTA Act Most Closely Corresponding  
with Section 30201 of SCRTD Law

[First two paragraphs of] Sec. 3.4. The authority is composed of seven members who shall be appointed by the Governor.

The seven members of the Los Angeles Metropolitan Transit Authority in office at the time this act takes effect shall continue in office under this act for the remainder of their terms and until their successors have been appointed and qualified.

\* \* \*

[First sentence of] Sec. 3.5. Each member of the authority shall be, and shall hold office only so long as he is, a resident of and registered voter in Los Angeles County.\* \* \*

30201. The board of directors shall consist of eleven (11) members appointed as follows:

Five (5) by the Board of Supervisors of the County of Los Angeles, who, in the discretion of such board of supervisors, may or may not be members of such board of supervisors, but each of whom shall be a resident of a different supervisorial district.

Two (2) by the Mayor of the City of Los Angeles, subject to confirmation by the City Council of the City of Los Angeles, who may or may not be members of such city council, but each of whom shall be a resident of such city.

Four (4) by the city selection committee, who, in the discretion of such committee, may or may not be members of such committee, but each of whom shall be a resident of a different city and none of whom shall be residents of the City of Los Angeles. The city selection committee may adopt rules and regulations grouping or combining the areas of the cities within the district except the City of Los Angeles into corridors based on existing or proposed transit lines or in any other manner regardless of contiguity. The rules and regulations may provide that members of the board of directors to be selected by the city selection committee shall be residents of the corridors or other groupings so determined.

LAMTA Act

Provisions of LAMTA Act Most Closely Corresponding  
with Sections 30202-30223 of SCRTD Law

[No comparable provisions]



30202. At its first regular meeting after the effective date of this part, the Board of Supervisors of the County of Los Angeles shall appoint as members of the first board of directors of the district the number to be appointed by it under Section 30201.

30203. At its first regular meeting after the effective date of this part, the Mayor of the City of Los Angeles, subject to confirmation by the City Council of the City of Los Angeles, shall appoint as members of the first board of directors of the district the number to be appointed by it under Section 30201.

30204. Each member of the board of directors appointed by the Board of Supervisors of the County of Los Angeles, shall serve at the pleasure of the appointing body. Each member of the board of directors appointed by the Mayor of the City of Los Angeles, subject to confirmation by the City Council of the City of Los Angeles, may be removed at any time thereafter by following the same procedure used for appointment. If he is a member of the Board of Supervisors of the County of Los Angeles or the City Council of the City of Los Angeles and his term of office as a member of such bodies terminates, a vacancy is automatically created in his office as a member of the board of directors. If he is not a member of such bodies his term of office shall terminate at the end of his term as director.

30205. Each director appointed by the Board of Supervisors of the County of Los Angeles shall be appointed by resolution, and each director appointed by the Mayor of the City of Los Angeles, subject to confirmation by the City Council of the City of Los Angeles, shall be confirmed by resolution, and certified copies of such resolutions, together with notices of appointments made thereby, shall be forwarded without delay to the Secretary of State and to the secretary of the district.

30206. Any vacancy in the members of the board of directors appointed by the County of Los Angeles or by the City of Los Angeles shall be filled by appointment in the same manner as the appointment was made to the office in which the vacancy exists, in the manner provided in this part.

30207. A city selection committee shall be established which shall consist of one member representing each city within the district as described in Section 30100, except the City of Los Angeles. Each member of the city selection committee shall serve without compensation from the district and shall be designated and appointed by and be a member of the governing body of

Provisions of LAMTA Act Most Closely Corresponding with  
Sections 30202-30223 of SCRTD Law (contd. from p.19)

[No comparable provisions]

the city he represents. As a member of the city selection committee, each member shall be entitled to vote on all motions coming before the committee, and shall be entitled to cast one vote for each ten million dollars (\$10,000,000), or major fractional part thereof, of assessed valuation of property taxable for district purposes in the city represented by him as shown by the assessment records of the county and evidenced by the certificate of the county auditor; provided, that each member shall have at least one vote and no city shall have votes exceeding in number the total number of votes of all the other cities whose corporate areas are included in the district. For the purposes of this section, the term "major fractional part", means a fractional part larger than one-half.

30208. On or before the second Monday which is not a holiday following the effective date of this part, the governing body of each city within the district, except the City of Los Angeles, shall appoint from among its members, to serve as members of the city selection committee, the number of members of the city selection committee to be appointed by it under Section 30207.

30209. Each member of the city selection committee shall serve at the pleasure of the governing body of the city by which he was appointed. If his term of office as a member of such appointing body terminates, a vacancy is automatically created in his office as a member of the city selection committee, and also as a member of the board of directors, if he is so serving.

30210. Each member of the city selection committee shall be appointed by a resolution adopted by the governing body of the appointing body. Certified copies of all resolutions of appointment, together with notices of appointments made thereby, shall be forwarded without delay to the Secretary of State and, after the district has a secretary, to the secretary of the district.

30211. Any vacancy in the city selection committee shall be filled by appointment by the body which originally made the appointment to the office in which the vacancy exists, in the manner provided in this part.

30212. No person serving as a member of the city selection committee shall be eligible for appointment to any salaried office or employment in the service of the district nor shall he become eligible for such appointment within one (1) year after he has ceased to be a member of the city selection committee; provided, however, that, as provided in this part, members of

Provisions of LAMTA Act Most Closely Corresponding with  
Sections 30202-30223 of SCRTD Law (contd. from p.21)

[No comparable provisions]



the city selection committee may serve as directors of the district.

30213. The county auditor shall furnish the necessary certificates as to assessed valuation to enable the city selection committee to function.

30214. All meetings of the city selection committee shall be conducted pursuant to the Ralph M. Brown Act, Chapter 9 (commencing with Section 54950) of Part 1, Division 2, Title 5 of the Government Code.

30215. The presence of members of the city selection committee representing more than fifty (50) percent of the total number of votes of all the members of the city selection committee shall constitute a quorum.

30216. The affirmative votes of members representing more than fifty (50) percent of the total number of votes of all the members of the city selection committee shall be necessary and, except as otherwise provided in this part, shall be sufficient to carry any motion coming before the city selection committee.

30217. Within ten (10) days after the Secretary of State has received certified copies of the resolutions appointing a majority of the city selection committee, he shall call the first meeting of the city selection committee to be held not less than twenty (20) days thereafter at an appropriate time and place. The meeting shall be held in any city within the district designated by the Secretary of State, and may be adjourned from time to time or to a different place as determined by a majority of the total number of votes of all members present whether there be a quorum or less than a quorum.

30218. The city selection committee shall appoint from its members a chairman and such other officers as may be necessary. Until a chairman is appointed, the Secretary of State, or his deputy, shall act as chairman.

30219. The city selection committee shall appoint as members the number to be appointed by it under Section 30201 as the first board of directors of the district. All such appointments shall be completed within ten (10) days after the first meeting called by the Secretary of State.

30220. Members of the board of directors who are not members of the Board of Supervisors of the County of Los Angeles or members of the City Council of the City of Los Angeles or members

Provisions of LAMTA Act Most Closely Corresponding with  
Sections 30202-30223 of SCRTD Law (contd. from p.23)

[No comparable provisions]

of the city selection committee, shall, at the first meeting of the board of directors be assigned by lot so far as possible staggered terms of one, two, three and four years in that order and thereafter the terms of such members of the board of directors shall be four years.

30221. Whenever a vacancy occurs in the members of the board of directors of the district appointed by the city selection committee, the same shall be filled by the city selection committee. The city selection committee shall meet within thirty (30) days following the occurrence to appoint a director to fill the vacancy. The board of directors shall determine promptly the time and place of the meeting of the city selection committee and shall give the members at least ten (10) days notice thereof. Whenever there shall not be a quorum present at the meeting of the city selection committee, the meeting shall be adjourned to a subsequent time and place as determined by a majority of the total number of votes present.

30222. The city selection committee shall meet each year within forty-five (45) days after the final equalization of the assessment rolls to appoint its proper number of members to the board of directors of the district; provided, however, that nothing herein shall prevent the reappointment of directors who are currently serving or who have served previously. The board of directors shall determine the time and place of the meeting of the city selection committee and shall give the members at least ten (10) days notice thereof. Whenever there shall not be a quorum present at the meeting of the city selection committee, the meeting shall be adjourned to a subsequent time and place as determined by a majority of the total number of votes present.

30223. Upon petition signed by members of the city selection committee representing more than two-thirds ( $\frac{2}{3}$ ) of the total number of votes of all the members of the city selection committee, the city selection committee shall meet for the purpose of considering the recall of any member of the board of directors appointed by the city selection committee and named in such petition. The board of directors shall determine promptly the time and place of the meeting of the city selection committee and shall give the members at least ten (10) days notice thereof. Whenever there shall not be a quorum present at the meeting of the city selection committee the meeting shall be adjourned to a subsequent time and place as determined by a majority of the total number of votes present. If at such meeting another person is appointed in place of the person named in the petition such person shall be deemed to be recalled and the vacancy created thereby shall be filled by the new member thus appointed.

Provisions of LAMTA Act Most Closely Corresponding  
with Section 30224 of SCRTD Law

[Third paragraph of] Sec. 3.4.\* \* \*

\* \* \*

Each member shall serve during the period of his appointment for the term for which he is appointed and until his successor has been appointed and qualified. The terms of all members, following the term of initial appointment, shall be to serve for a full term of four years. Any member appointed to serve in lieu of any member on account of death, resignation or disability of such member, shall serve only for the unexpired term of such member.



30224. Members of the board of directors shall serve until their respective successors are appointed and qualified.

LAMTA Act

Provisions of LAMTA Act Most Closely Corresponding  
with Sections 30225-30250 of SCRTD Law

[No comparable provisions]

30225. Except as provided in Section 30251 of this part, no person serving as a director shall be eligible for appointment to any salaried office or employment in the service of the district nor shall he become eligible for such appointment or employment within one (1) year after he has ceased to be a director.

30226. In order to provide orderly transition from the Los Angeles Metropolitan Transit Authority (herein sometimes referred to as "authority") to the district, it may be desirable for a member or members or former member or members of the authority to serve or continue to serve as a member or members of the board of directors of the district and nothing in this part shall prevent each one of the three appointing bodies from each appointing a member or members of the authority as a member or members of the board of directors of the district if the appointing body involved, in its discretion, wishes so to do.

30227. Within ten (10) days after the Secretary of State has received certified copies of the resolutions appointing a majority of the directors, he shall call the first meeting of the board of directors at an appropriate time within twenty (20) days thereafter. The meeting shall be held in the City of Los Angeles.

### Article 3. Powers and Duties of Directors

30250. Each director, before entering upon the duties of his office, shall take the oath of office. The oath shall be filed with the Secretary of State and a copy thereof with the secretary of the district.

Provisions of LAMTA Act Most Closely Corresponding  
with Section 30251 of SCRTD Law

Officers of the board

[See LAMTA Act Section 3.6(a) on page 59  
concerning officers of the board.]

Compensation of board members

[Second two sentences of] Sec. 3.5.\* \* \* Each member of the authority shall be paid the sum of fifty dollars (\$50) for each meeting attended, but not to exceed two hundred dollars (\$200) in any calendar month, and shall be reimbursed for actual necessary traveling and other expenses incurred by him in the performance of his duties, payable exclusively out of the funds of the authority available therefor. No member of the authority shall be allowed any other fees, perquisites or emoluments, reward or compensation for his services as a member of the authority.

Office Location [No comparable provision in SCRTD Law]

Sec. 3.10.: The authority shall maintain an office in the City of Los Angeles, Los Angeles County, State of California.



30251. The board shall choose one of its members president, and another vice president, who shall be authorized to act for the president during his absence or disability. The board shall choose a secretary, who shall not be a member of the board, and shall provide for the time and place of holding its regular meetings which shall be held at least once each month. The board may hold such additional meetings as it may see fit. The time and place for holding all of its meetings shall be fixed by the board of directors. An attendance fee of fifty dollars (\$50) per meeting attended, but not to exceed two hundred fifty dollars (\$250) in any calendar month to any member, shall be paid to members of the board of directors.

Provisions of LAMTA Act Most Closely Corresponding  
with Sections 30252-30253 of SCRTD Law

Sec. 4.20. The authority may adopt such rules and regulations as may be necessary to enable it to exercise the powers and perform the duties conferred or imposed upon it by this act.

Sec. 11.1. The authority and its officers and agents may perform such acts and enter into such agreements, not inconsistent with law, as may be necessary or desirable in connection with the duties and powers conferred upon the authority by this act, in the matter of acquiring, constructing, completing, maintaining, operating, repairing or insuring or replacing the system or any part thereof acquired, constructed or completed under this act, for the safeguarding of funds and revenues required for the purposes of this act, and for the payment of the revenue bonds issued pursuant to this act.

[See LAMTA Act Sections 4.5 (page 103), 4.11 (page 83), 4.12 (page 83), and 4.13 (page 83) concerning contracting power.]

30252. The board of directors is the legislative body of the district and, consistent with the provisions of this part, shall determine all questions of district policy.

30253. The board may contract and take any and all actions and proceedings and do any and all other things necessary to carry out the purposes of this part.

Provisions of LAMTA Act Most Closely Corresponding  
with Section 30254 of SCRTD Law

Sec. 6.3. The authority has full charge of the acquisition, construction and completion of the system or any part thereof authorized by it and may proceed with such work forthwith.

[See also LAMTA Act Sections 4.4  
(page 93), 6.1 and 6.2 (pages  
107-109).]

30254. The board shall determine what transit facilities should be acquired or constructed.



LAMTA Act

Provisions of LAMTA Act Most Closely Corresponding  
with Section 30255 of SCRTD Law

[No comparable provision.]

30255. In order to provide orderly transition from the Los Angeles Metropolitan Transit Authority (herein sometimes referred to as "authority") to the district, it may be desirable for certain members or former members of the authority or the officers, advisors and staff thereof, or both, to serve in an advisory capacity to the board. The board may, in its discretion, establish an advisory board of the above-named persons or any others that it sees fit, provided that each member of such advisory board shall consent to serve and also that there shall be no compensation paid by the district to members of such advisory board.

Provisions of LAMTA Act Most Closely Corresponding  
with Section 30256 of SCRTD Law

Sec. 4.16. The authority shall by resolution make all rules and regulations governing the use, operation and maintenance of the system and shall determine all routings and change the same whenever it is deemed advisable by the authority; provided, however, that any revenue bond indenture may place limitations and conditions upon the exercise of such powers or any thereof.

[Third sentence of] Sec. 6.5.\* \* \* The management, operation and control of the system and of every part thereof, acquired, constructed or completed by the authority shall be vested in the authority and the powers, rights, functions and duties of the authority with respect thereto shall not be interfered with; provided, however, that any revenue bond indenture may require that action on certain matters by the authority be by a two-thirds vote of the full number of the members thereof.

[See LAMTA Act Sections 4.9, 4.10, 5.14, and 7.1, on pages 119-121, concerning the fixing of rates, fares, rentals, and other charges.]

30256. The board shall supervise and regulate every transit facility owned and operated by the district, including the fixing of rates, fares, rentals, charges, and classifications thereof, and the making and enforcement of rules, regulations, contracts, practices, and schedules, for or in connection with any transit facility owned or controlled by the district.

LAMTA Act

Provisions of LAMTA Act Most Closely Corresponding  
with Section 30257 of SCRTD Law

[No comparable provision]



30257. Subject to the provisions of Article 10 (commencing with Section 30750), Chapter 5 of this part, the board may adopt a personnel system for the purpose of recruiting and maintaining an effective working force with good morale. The board shall by resolution determine and create such number and character of positions as are necessary properly to carry on the functions of the district. The board shall establish an appropriate salary, salary range, or wage for each position so created, except for positions in a bargaining unit represented by a labor organization. The board may also establish health and other fringe benefits. The board may by resolution abolish any such position. Except as otherwise provided in this part, appointments to such positions shall be made by the general manager.

LAMTA Act

Provisions of LAMTA Act Most Closely Corresponding  
with Section 30258 of SCRTD Law

[See LAMTA Act Section 3.6(a) on page  
59 concerning power to contract for  
professional services.]

30258. The board may contract for or employ any professional services required by the district or for the performance of work or services for the district which, in the opinion of the board, cannot satisfactorily be performed by the officers or employees of the district.

LAMTA Act

Provisions of LAMTA Act Most Closely Corresponding  
with Sections 30259-30261 of SCRTD Law

[No comparable provisions]

30259. The board shall have an annual audit made of all books and accounts of the district by an independent certified public accountant or public accountant.

30260. As soon as practicable after the close of each fiscal year the board shall submit to the chief administrative officers and legislative bodies of cities and counties within the district a financial report showing the result of operations during the preceding fiscal year and the financial status of the district on the final day thereof. Copies of the report shall be supplied to the general public upon request in the quantity deemed appropriate by the board.

30261. The board may provide by resolution, under such terms and conditions as it sees fit, for the payment of demands against the district without prior specific approval thereof by the board if the demand is for a purpose for which an expenditure has been previously approved by the board and in an amount no greater than the amount so authorized, and if the demand is approved by the general manager or such other officer or deputy as the board may prescribe.



Provisions of LAMTA Act Most Closely Corresponding  
with Section 30262 of SCRTD Law

Sec. 10.9. If the revenues are paid over by the authority to the treasurer, the same shall be held by the treasurer in a special fund and applied exclusively for the account of the authority. Said special fund is hereby designated "Los Angeles Metropolitan Transit Authority Revenue Fund". The moneys in the revenue fund shall be deposited by the treasurer in time or demand deposits in such depository or depositories as may be authorized by law to receive deposit of county funds, to the credit of the revenue fund, or may be invested in such bonds or obligations as are by law legal investments for county moneys, subject to such limitations and restrictions as may be provided in the resolution under which bonds of the authority are issued and outstanding. Any income or interest received upon such deposits or investments shall be added to the revenue fund and inure to the benefit of the authority. The moneys in the revenue fund shall be paid out and disbursed for the payment of the principal of and interest on all bonds issued by the authority under the provisions of this act, as and when such principal and interest shall become due, and for the creation of any reserve fund or other special fund provided by the Authority in the proceedings for the issuance of said bonds, and also for the payment of all costs and expenses for the maintenance and operation of the system, engineering, legal and administrative costs and for all repairs and replacements and other costs and expenses of the authority. The treasurer shall keep an accurate account of all money deposited in and withdrawn from the revenue fund.

Sec. 10.11. Notwithstanding any of the foregoing provisions of this chapter, the revenue bond indenture may specify the fund or funds into which any part of the proceeds from the sale or exchange of the bonds shall be paid and the uses of such fund or funds. The revenues likewise may be payable into such fund or funds as may be provided in said indenture and shall be used only as authorized in said indenture.

30262. To facilitate the business of the district, the board may provide for the creation and administration of such funds as the needs of the district may require. The funds shall be disbursed in accordance with rules established by the board and all payments from any fund shall be reported to the board.

LAMTA Act

Provisions of LAMTA Act Most Closely Corresponding  
with Sections 30263-30264 of SCRTD Law

[See LAMTA Act Section 4.9 (page 119)  
providing for public hearings on tariff  
increases, and LAMTA Act Section 6.2  
(page 109) providing for public hearings  
on route locations.]

30263. The board may hold public hearings, subpoena witnesses, and perform all other acts necessary to properly carry out its duties. The board may delegate such authority to other officers of the district who shall report thereon to the board.

30264. Each director may administer oaths and affirmations in any district investigation or proceeding.

Provisions of LAMTA Act Most Closely Corresponding  
with Section 30270 of SCRTD Law

Sec. 3.9. The authority shall be subject to Chapter 9 (commencing at Section 54950) of Part 1 of Division 2 of Title 5 of the Government Code.



Article 4. Meetings and Legislation

30270. All meetings of the board of directors shall be conducted pursuant to the Ralph M. Brown Act, Chapter 9 (commencing with Section 54950) of Part 1, Division 2, Title 5 of the Government Code.

Provisions of LAMTA Act Most Closely Corresponding  
with Section 30271 of SCRTD Law

Sec. 3.8. A majority of the members of the authority constitute a quorum for the transaction of business and, subject to the next sentence, may act for the authority. All action of the authority shall be by a majority vote of its members, except as otherwise provided in this act, and except that any indenture under which revenue bonds of the authority are issued and outstanding may provide that certain acts of the authority shall require a vote of two-thirds of the full number of the members thereof and in such cases such two-thirds vote shall be required.

30271. The affirmative votes of a majority of the members of the board shall be necessary and, except as otherwise provided in this part, shall be sufficient to carry any order, resolution, or ordinance coming before the board of directors.

Provisions of LAMTA Act Most Closely Corresponding  
with Sections 30272 of SCRTD Law

[See LAMTA Act Section 4.20 on page 33  
concerning adoption of rules and regu-  
lations.]

30272. The board shall adopt rules for the general conduct of its proceedings including, without limitation, penalties for unexcused absence from meetings.



LAMTA Act

Provisions of LAMTA Act Most Closely Corresponding  
with Sections 30273-30275 of SCRTD Law

[No comparable provisions.]

30273. The acts of the board shall be expressed by motion, resolution or ordinance. No ordinance shall be passed by the board on the day of its introduction, nor within five (5) days thereafter, nor at any time other than a regular or adjourned regular meeting. No ordinance shall take effect until the expiration of thirty (30) days following its adoption, unless otherwise provided in this part. The following ordinances shall take effect upon adoption: an ordinance relating to an election, or to the issuance or sale of bonds, or to the levying or collection of taxes, or the fixing of fares; or an ordinance necessary for the immediate preservation or protection of the property, interests, or welfare of the district, which shall contain a specific statement showing its urgency, and which shall be passed by two-thirds of the votes of all of the members of the board. All ordinances except those which take effect upon their adoption shall be subject to referendum as provided in Section 30741.

30274. The enacting clause of all ordinances shall be as follows: "Be it ordained by the Board of Directors of the Southern California Rapid Transit District:"

30275. All ordinances shall be signed by the president or the vice president of the board and attested by the secretary. All ordinances shall be published once within 15 days after passage in a newspaper of general circulation printed and published in the district.

Provisions of LAMTA Act Most Closely Corresponding  
with Sections 30300-30306 of SCRTD Law

Sec. 3.6. (a) The authority shall appoint a chairman, who shall be a member of the authority, and shall also appoint a secretary and a treasurer. The authority may also appoint a vice chairman from its members, said vice chairman to act as chairman in the absence or inability of the chairman. The secretary may be a member of the authority. The treasurer shall not be a member of the authority. The authority may appoint an executive director, who may be a member of the authority, and who shall be a man of recognized ability and experience, to hold office during the pleasure of the authority. Subject to the general control of the authority, and to the requirements and restrictions of any indenture under which bonds are at any time outstanding, the executive director shall have management of the properties and business of the authority and the employees thereof, shall direct the enforcement of all resolutions, rules and regulations of the authority, and shall perform such other duties as may be prescribed from time to time by the authority. The authority may appoint a general attorney and a chief engineer, and shall appoint or provide for the appointment of other officers, attorneys, engineers, consultants, agents, and employees as may be necessary for any purpose of the authority, including, but not limited to, engineering and other studies and the acquisition, construction, extension, operation, maintenance, and policing of the system, and may contract with any thereof and with the executive director, but no such contract shall be for a term of longer than 10 years. It shall define their duties and require bonds of such of them as the authority may designate. The compensation of the executive director, general attorney, chief engineer, and all other officers, attorneys, consultants, agents and employees shall be fixed by the authority, and such compensation shall be paid out of funds of the authority available for that purpose. The authority may employ a fiscal agent or adviser and may retain the services of such agents as may be deemed advisable to assist in the sale and distribution of the authority's bonds or the underwriting thereof. The consent of the Department of Finance shall not be required in carrying out the provisions of this Section 3.6.

## Article 5. Officers

30300. The officers of the district shall consist of the members of the board of directors; a president and a vice president of the board, each of whom shall be a member of the board; a secretary, a general manager, a general counsel, a treasurer, an auditor, and such other or subordinate officers, assistants, and deputies as the board may deem necessary and provide for by ordinance or resolution.

30301. The secretary, general manager, general counsel, treasurer, and auditor shall be full-time officers and shall be appointed by and may be removed by the affirmative votes of a majority of the members of the board. All other officers and employees shall be appointed by the general manager and shall serve at his pleasure, subject to the provisions of this part relating to personnel.

30302. The compensation of all district officers and employees, except as otherwise provided in this part, shall be fixed by ordinance or resolution of the directors.

30303. The general counsel shall be a person admitted to practice law in the Supreme Court of California and shall have been actively engaged in the practice of law for not less than seven (7) years next preceding his appointment.

The person appointed auditor shall have been actively engaged in the practice of accounting for not less than seven (7) years next preceding his appointment.

30304. The oath of office of all officers appointed by the board of directors or by the general manager of the district shall be taken, subscribed, and filed with the secretary of the district at any time after the officer has notice of his appointment but not later than fifteen (15) days after the commencement of his term of office. No other filing is required.

30305. The board may require officers, assistants, deputies and employees to give bonds and may fix the amount thereof.

30306. Article 4 (commencing with Section 1090), Chapter 1, Division 4, Title 1, of the Government Code shall apply to all officers and contracts of the district.



Provisions of LAMTA Act Most Closely Corresponding  
with Sections 30307-30308 of SCRTD Law

Sec. 3.7. The treasurer shall execute a bond with corporate sureties to be approved by the authority. The bond shall be payable to the authority in whatever penal sum may be directed by the authority conditioned upon the faithful performance of the duties of the office and the payment of all money received by him according to law and the orders of the authority. The authority may, at any time, require a new bond from the treasurer in such penal sum as may then be determined by the authority. The obligation of the sureties shall not extend to any loss sustained by the insolvency, failure or closing of any national or state bank wherein the treasurer has deposited funds if the bank has been approved by the authority as a depository for such funds. All funds deposited by the treasurer in any bank shall be placed in the name of the authority, shall be secured as provided in Section 4.18 of this act, and shall be withdrawn or paid out only by check or draft upon the bank, signed by such officer or officers, or employee or employees, as may be designated by the authority; provided, however, that revenue bonds of the authority may be paid in the manner provided in the bond indenture. The authority may establish separate funds, trust funds, sinking funds, reserve funds and any other fund or funds deemed necessary or convenient and may provide for the uses thereof and the methods of making payments therefrom, and may make covenants in any revenue bond indenture relating to any such fund or funds. In case any officer or employee whose signature appears upon any check ceases to hold his office after so signing, but before the delivery thereof to the payee or presentation thereof for payment, his signature nevertheless shall be valid and sufficient for all purposes with the same effect as if he had remained in office or employment until delivery thereof.

Sec. 10.8. All revenues received from the operation of the system acquired or constructed or completed by the authority may be paid over by the authority either to the treasurer as custodian thereof or to any fiscal agent or depository appointed by the authority.

Sec. 10.10. In lieu of deposit of the revenues received from the system with the treasurer, the authority may deposit all such revenues at any bank or trust company, appointed depository or fiscal agent of the authority in the proceedings for the issuance of the bonds, and if such fiscal agent or depository is so appointed, the authority shall provide for the collection of all revenues and for the receipt and disbursement thereof by the fiscal agent. The authority may, in its absolute discretion fix

(contd. on p.62)



30307. The treasurer shall be the custodian of the funds of the district and shall make payments only upon warrants duly and regularly signed by the president or vice president of the board, or other person authorized by the board so to do, and by the secretary or general manager. He shall keep an account of all receipts and disbursements.

30308. The district may designate the treasurer and the auditor of the County of Los Angeles as treasurer and auditor of the district and the treasury of that county may be designated the depository for district funds for such time as the board may determine.

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(contd. from p.61)

the terms and conditions upon which the trustee or trustees or fiscal agent or depository shall receive, hold and disburse such revenues, and may prescribe the duties and powers of such fiscal agent, trustee or trustees or depository in the indenture or other proceedings for the issuance of the bonds.

[See also LAMTA Act Sections 10.9 and 10.11 on page 47 concerning duties of treasurer with respect to certain funds.]

Provisions of LAMTA Act Most Closely Corresponding  
with Sections 30330-30336 of SCRTD Law

[See LAMTA Act Section 3.6(a) on page  
59 for provisions relating to the  
Executive Director.]

## Article 6. General Manager

30330. The board shall appoint and fix the salary of a general manager, who shall have full charge of the acquisition, construction, maintenance, and operation of the facilities of the district and also of the administration of the business affairs of the district.

30331. All other things being equal, the general manager shall be chosen on the basis of his qualifications with special reference to his actual experience in or his knowledge of accepted practices in respect to the duties of his office as hereinafter set forth.

30332. The general manager need not be a resident of this State at the time of his appointment.

30333. The general manager shall hold office for an indefinite term and may be removed by the board upon the adoption of a resolution by the affirmative vote of a majority of all members of the board. Before the general manager may be removed, he shall, if he demands it, be given a written statement of the reasons alleged for his removal and he shall have the right to be publicly heard thereon at a meeting of the board prior to the final vote on the resolution providing for his removal, but pending and during such hearing the board may suspend him from office. The board may not reduce the salary of the general manager below the amount fixed at the time of his original appointment except upon the adoption of a resolution by a like vote and after a like opportunity to be heard. The action of the board in suspending or removing the general manager or reducing his salary is final.

30334. The powers and duties of the general manager are:

(a) To have full charge of the acquisition, construction, maintenance, and operation of the facilities of the district.

(b) To have full charge of the administration of the business affairs of the district.

(c) To see that all ordinances of the district are enforced.

(d) To administer the personnel system and collective bargaining agreements adopted by the board and except for officers appointed by the board to appoint, discipline or remove all officers and employees subject to the rules and regulations adopted by the board and the applicable provisions of this part or the terms and conditions contained in any applicable collective bargaining agreement.

LAMTA Act

Provisions of LAMTA Act Most Closely Corresponding  
with Sections 30330-30336 of SCRTD Law (contd. from p.63)

[Refer to page 63.]

(e) To prepare and submit to the board as soon as practical after the end of each fiscal year a complete report of the finances and administrative activities of the district for the preceding year.

(f) To keep the board advised as to the needs of the district.

(g) To prepare or cause to be prepared all plans and specifications for the construction of the works of the district.

(h) To devote his entire time to the business of the district.

(i) To cause to be installed and maintained a system of auditing and accounting which shall completely and at all times show the financial condition of the district.

(j) To perform such other and additional duties as the board may require.

30335. The general manager shall attend meetings of the board and be entitled to participate in the deliberations of the board, but shall not have a vote as to any matter before the board.

30336. The directors may appoint a general manager pro tempore to serve during any absence or disability of the general manager.

Provisions of LAMTA Act Most Closely Corresponding  
with Sections 30400-30451 of SCRTD Law

Sec. 4.24. The authority may provide for a retirement system; provided, that the adoption, terms and conditions of any retirement system covering employees of the authority represented by a labor organization in accordance with Section 3.6 shall be pursuant to a collective bargaining agreement between such labor organization and the authority.



## CHAPTER 4. RETIREMENT SYSTEM AND EMPLOYMENT BENEFITS

### Article 1. Establishment

30400. The board may establish a retirement system for the officers and employees of the district and provide for the payment of annuities, pensions, retirement allowances, disability payments, and death benefits or any of them.

30401. The district may maintain its own retirement fund or may provide for benefits to eligible officers and employees, or their beneficiaries, by means of group insurance or other insurance, or by such means as in the opinion of the board will satisfactorily provide an adequate and sure method of meeting the payments contemplated by the retirement system.

30402. Before establishing any retirement system the board shall secure a report from a qualified actuary, which shall show the cost of the benefits provided by the system, and the prospective assets and liabilities of the system.

30403. The board may adopt all ordinances and resolutions and perform all acts necessary or convenient to the initiation, maintenance, and administration of the retirement system.

30404. As an alternative method of providing a retirement system the board may contract with the Board of Administration of the State Employees' Retirement System and enter all or any portion of its employees under such system pursuant to law and under the terms and conditions of such contract.

30405. The board may also contract with the Board of Administration of the State Employees' Retirement System for participation in the Federal Social Security Act and may perform all acts necessary or convenient for such participation.

30406. The board may classify and determine the officers and employees who shall be included as members in the retirement system and may change the classification from time to time. Membership of all officers and employees so classified and included in the retirement system is compulsory.

### Article 2. Benefits and Contributions

30430. The board may prescribe the terms and conditions upon which the officers and employees of the district or their

LAMTA Act

Provisions of LAMTA Act Most Closely Corresponding with  
Sections 30400-30451 of SCRTD Law (contd. from p.67)

[Refer to page 67.]

beneficiaries shall be entitled to benefits and the amounts thereof.

30431. Any pension or retirement system adopted shall be on a sound actuarial basis and provide for contributions by both the district and the employee members of the system which shall be based on percentage of pay roll to be changed only by adjustments on account of experience under the system.

30432. Contributions shall be in amounts which will accumulate at retirement a fund sufficient to carry out the promise to pay benefits to the individual on account of his service as a member of the system, without further contributions from any source.

30433. Nothing in any pension or retirement system or plan shall prevent the board from, at any time, amending, changing, modifying or terminating any provision for benefits, participation, or contributions thereto or thereunder.

### Article 3. Employees Under Bargaining Agreements

30450. Article 1 (commencing with Section 30400) and Article 2 (commencing with Section 30430) of this chapter do not apply to any employees of the district in a bargaining unit which is represented by a labor organization.

30451. The adoption, terms, and conditions of the retirement systems covering employees of the district in a bargaining unit represented by a labor organization shall be pursuant to a collective bargaining agreement between such labor organization and the district. Any such retirement system adopted pursuant to a collective bargaining agreement shall be on a sound actuarial basis. The district and the labor organization representing the district's employees in a bargaining unit shall be equally represented in the administration of such retirement system.

LAMTA Act

Provisions of LAMTA Act Most Closely Corresponding  
with Sections 30470-30471 of SCRTD Law

[No directly comparable provisions.

See, however, LAMTA Act Section 3.6(d)  
on page 143.]

## Article 4. Other Benefits

30470. The district shall take such steps as may be necessary to obtain coverage of its employees under Title 2 of the Federal Social Security Act, as amended, and the related provisions of the Federal Insurance Contributions Act, as amended.

30471. The district shall take such steps as may be necessary to obtain coverage for the district and its employees under the state laws relating to workmen's compensation and insurance, unemployment compensation, and disability compensation.

Provisions of LAMTA Act Most Closely Corresponding  
with Section 30500 of SCRTD Law

[First paragraph of] Sec. 3.11. The authority may adopt a seal to be impressed upon its instruments, and may provide for the impression of such seal by printed or lithographed facsimile thereof. Any executed instrument bearing the seal of the authority shall be prima facie evidence of its execution by the authority and that its execution was duly, regularly and legally authorized by the authority.

\* \* \*

Sec. 4.1. The authority has perpetual succession.



CHAPTER 5. POWERS AND FUNCTIONS  
OF DISTRICT

Article 1. Corporate Power

30500. The district has perpetual succession and may adopt a seal and alter it at pleasure.

Provisions of LAMTA Act Most Closely Corresponding  
with Section 30501 of SCRTD Law

Sec. 4.2. The authority may sue and be sued in all courts of competent jurisdiction.

30501. The district and its officers may sue and be sued in all actions and proceedings, in all courts and tribunals of competent jurisdiction.

Provisions of LAMTA Act Most Closely Corresponding  
with Section 30502 of SCRTD Law

Sec. 4.19. The authority shall not have power to levy taxes for any purpose whatsoever.

Sec. 6.6. The authority may use for the payment of the acquisition and construction or completion of the system or any part thereof any funds made available to the authority to be expended for the accomplishing of the purposes set forth in this act or the proceeds of revenue bonds issued and sold by the authority.

30502. The district may levy, and collect or cause to be collected, taxes for any lawful purpose, as provided in Chapter 6 (commencing with Section 30800) of this part.

Provisions of LAMTA Act Most Closely Corresponding  
with Sections 30503-30504 of SCRTD Law

Sec. 4.6. The authority may exercise the right of eminent domain for the condemnation of real or personal property or any right or interest therein for its use within the metropolitan area, including the power to acquire real property in fee simple or any lesser estate or interest for rights-of-way or other uses of the authority. No publicly owned property shall be taken, or condemnation proceedings instituted therefor, without the consent of the public agency or public corporation owning or controlling such publicly owned property, nor shall any privately owned public utility be taken or condemned without consent of such utility. Sections 1401 to 1421, inclusive, of the Public Utilities Code shall not apply to any such condemnation of property of a privately owned public utility with the consent of such public utility at a price agreed to between the authority and such public utility, and the Public Utilities Commission of the State of California shall have no jurisdiction with respect thereto. The consent of the Department of Finance shall not be required in carrying out the provisions of this section. The State, any political subdivision thereof, or any other public body may grant to the authority rights or easements in, upon, over, under or across the property of such public agency for purposes of constructing and maintaining mass rapid transit facilities. Such grant may be made without cost to the authority and it shall be conclusively presumed that any such grant is for the furtherance of the public purposes of the granting agency.

Sec. 4.7. Proceedings of eminent domain brought by the authority shall be governed by provisions of the Code of Civil Procedure relating to eminent domain, insofar as such provisions are not inconsistent with this act. The authority shall not commence any such proceedings unless it first adopts a resolution declaring that public interest and necessity require acquisition by the authority of the property or interest therein, described in the resolution, and that such acquisition is necessary and proper for the extension, improvement, or development of the authority.

The resolution of the authority shall be conclusive evidence of the public necessity of such proposed acquisition, and that such real or personal property or interest therein is necessary therefor, and that such proposed acquisition is planned or located in a manner which will be most compatible with the greatest public good and the least private injury.



30503. The district may take or acquire real or personal property of every kind within the district by condemnation pursuant to the eminent domain proceedings in accordance with Title 7 (commencing with Section 1237), Part 3 of the Code of Civil Procedure, or, in the alternative, in accordance with Chapter 8 (commencing with Section 1401), Part 1, Division 1 of this code, whether the property is already devoted to the same use or otherwise.

No such taking or acquisition by the district which would involve the abandonment, removal, relocation or use of property of a railroad corporation, as defined in Section 230 of this code, shall be permitted, unless the Public Utilities Commission, after hearing, shall find and determine that the public interest and necessity require the abandonment, removal, relocation or use of such property and that such taking or acquisition will not unreasonably impair the ability of the railroad corporation involved to provide safe, adequate, economical and efficient service.

30504. The district is a rapid transit district within the meaning of Section 1241 of the Code of Civil Procedure.

LAMTA Act

Provisions of LAMTA Act Most Closely Corresponding  
with Sections 30505-30507 of SCRTD Law

[No comparable provisions.]

30505. The district is entitled to the benefit of any reservation or grant, in all cases, where any right has been reserved or granted to the State or any agency or political subdivision thereof or any public corporation to construct or maintain roads, highways or other crossings over any public or private lands.

30506. The district may exercise any and all powers granted by any other law which by its terms is applicable to districts generally, to public corporations generally, or to any classification of districts or public corporations which includes a district of the type provided for in this part, but no such power shall be exercised contrary to any express provision of this part.

30507. Prior to the time the district incurs a bonded indebtedness, the district shall insofar as possible follow the budgetary control procedures for counties, pursuant to Articles 1 to 4, inclusive (commencing with Section 29000), Chapter 1, Division 3, Title 3 of the Government Code. Transfers of funds within, or revisions of, a budget adopted by the district, whether before or after the incurring of a bonded indebtedness, may be made by appropriate act of the board at a regular, adjourned regular or special meeting.

Provisions of LAMTA Act Most Closely Corresponding  
with Sections 30530-30532 of SCRFD Law

Sec. 4.11. The authority may contract with any department or agency of the United States of America or of the State of California or with any public corporation upon such terms and conditions as the authority finds is for the authority's best interests.

Sec. 4.12. The authority may contract with any department or agency of the United States of America or of the State of California or with any public corporation for the employment of qualified experts then in the employ of such governmental agencies for the creation of a master plan of the metropolitan area covering such studies as will serve to advise and guide the authority in the development of integrated mass rapid transit. Payment for such contract shall be made by the authority out of any funds available, including the proceeds of revenue bonds hereafter issued.

Sec. 4.13. The authority may make contracts, leases and agreements with any department or agency of the United States of America or of the State of California or with any person or public corporation and may generally perform all acts necessary for the full exercise of the powers vested in it. The authority may acquire rolling stock or other property under conditional sales contracts, leases, equipment trust certificates, or any other form of contract or trust agreement. Contracts may be let by an officer or employee of the authority in such manner as may be authorized from time to time by the authority. Any revenue bond indenture may provide limitations upon the exercise of the powers stated in this section and such limitations shall apply so long as any of the revenue bonds issued pursuant to such indenture are outstanding and unpaid.

[See also LAMTA Act Sections 6.4 (page 89) and 6.10 (page 93) concerning contracts for the development of a rapid transit system.]

## Article 2. Contracts

30530. The district may make contracts and enter into stipulations of any nature whatsoever, either in connection with eminent domain proceedings or otherwise, including, without limiting the generality of the foregoing, contracts and stipulations to indemnify and save harmless, and to do all acts necessary and convenient for the full exercise of the powers granted in this part.

30531. The district may contract with any department or agency of the United States of America or of the State of California or with any public or private corporation upon such terms and conditions as the directors find is for the best interests of the district.

30532. The district may contract with any person, firm, corporation, association, or organization for the development of a rapid transit system.



Provisions of LAMTA Act Most Closely Corresponding  
with Sections 30533-30535 of SCRTD Law

Sec. 6.7. The authority may insure against any accident to or destruction of the system or any part thereof. Any money collected on such insurance shall be used for the purpose of repairing or rebuilding the system or any part thereof damaged, injured or destroyed, or for the retirement of any revenue bonds issued in connection therewith which may be outstanding unredeemed, as may be agreed upon by the authority in the indenture authorizing the issuance of the bonds.

Sec. 6.8. The authority may insure against loss of revenues from any cause whatsoever and the proceeds of any such insurance shall be used solely for the payment of bonds and the interest thereon.

Sec. 6.9. The authority may insure against public liability or property damage. It may provide in the proceedings authorizing the issuance of any revenue bonds for the carrying of such or any other insurance, in such amount and of such character as may be specified, and for the payment of the premiums thereon.

Sec. 5.18. An indenture may include a clause requiring, specifying or limiting the kind, amount and character of insurance to be maintained by the authority on the system, or any part thereof, and the use and disposition of the proceeds of any such insurance thereafter collected. Such insurance may include fire, casualty, fidelity, public liability, property damage, or any other type or kind of insurance deemed desirable by the authority.



30533. The district may insure against any accident to or destruction of the system or any part thereof.

30534. The district may insure against loss of revenues from any cause whatsoever.

30535. The district may insure against public liability or property damage, or both. It may provide in the proceedings authorizing the issuance of any bonds for the carrying of such or any other insurance, in such amount and of such character as may be specified, and for the payment of the premiums thereon.

LAMTA Act

Provisions of LAMTA Act Most Closely Corresponding  
with Section 30536 of SCRTD Law

[No comparable provision.]

30536. Bonds, notes, warrants and other evidences of indebtedness issued or incurred by the district shall be signed as provided in the section of this part applicable thereto or as provided in any other law applicable thereto; provided, however, that if the particular section or law does not prescribe the method of such execution, the method provided for general obligation bonds of the district shall apply so far as applicable. All other contracts of the district shall be executed on behalf of the district by the general manager; provided, however, that the board may, by resolution, fix any other method of executing such contracts.

Provisions of LAMTA Act Most Closely Corresponding  
with Sections 30570-30572 of SCRTD Law

Purchase of supplies, equipment and materials

[No comparable provisions.]

Construction of facilities and works

Sec. 6.4.. The authority may construct the system or any part thereof and acquire all property necessary therefor on such terms and conditions as it deems advisable. The authority, without awarding a contract for the construction of the system or any part thereof, may do the work directly and may purchase materials, hire labor and do all other things necessary for the doing of the work. When any part of the work is to be done or performed by any department or agency of the United States of America or the State of California or any public corporation jointly or in conjunction with the authority, the portion of the cost thereof to be borne by the authority may be turned over to the department or agency or public corporation to be expended by it in the acquisition, construction or completion of the system or any part thereof. Construction contracts entered into by the authority shall not be subject to the provisions of the State Contract Act and shall be governed solely by the provisions of this act, except that the provisions of Chapter 3 (commencing at Section 4200) of Division 5 of Title 1 of the Government Code are hereby expressly made applicable to the system or any part thereof under this act. Any such contracts may be entered into in such manner and upon such terms as the authority deems advisable.

## Article 3. Purchases

30570. The purchase of all supplies, equipment and materials, and the construction of facilities and works, when the expenditure required exceeds three thousand dollars (\$3,000), shall be by contract let to the lowest responsible bidder. Notice requesting bids shall be published pursuant to Section 6061 of the Government Code in a newspaper of general circulation, which publication shall be made at least ten (10) days before bids are received. The board may reject any and all bids and readvertise in its discretion.

30571. If, after rejecting bids, the board determines and declares by a vote of two-thirds of all its members that in its opinion the supplies, equipment and materials may be purchased at a lower price in the open market, the board may proceed to purchase the supplies, equipment and materials in the open market without further observance of the provisions requiring contracts, bids, or notice.

30572. In case of any great public calamity, such as an extraordinary fire, flood, storm, epidemic, or other disaster, the board may, by resolution passed by a vote of two-thirds of all its members declare and determine that public interest and necessity demand the immediate expenditure of public money to safeguard life, health or property, and thereupon proceed to expend or enter into a contract involving the expenditure of any sum needed in such emergency without observance of the provisions requiring contracts, bids, or notice.

Provisions of LAMTA Act Most Closely Corresponding  
with Sections 30600-30601 of SCRTD Law

Sec. 4.3. The authority may acquire by grant, purchase, gift, devise or lease, and may hold, use, sell, lease or dispose of, real and personal property of every kind and nature whatsoever, licenses, patents, rights and interests necessary for the full exercise, or convenient or useful for the carrying on of, any of its powers pursuant to the provisions of this act.

Sec. 4.14. The authority may sell, lease, convey or otherwise dispose of any of its rights, interests or properties after the purposes for which they are acquired have been fully satisfied or modified. It may sell, lease or otherwise dispose of, at any time, any surplus materials or other property not needed for its requirements or for the purpose of carrying out this act. Any revenue bond indenture may provide limitations upon the exercise of the powers stated in this section, and such limitations shall apply so long as any of the revenue bonds issued pursuant to such indenture are outstanding and unpaid.

[First two sentences of] Sec. 6.5. Title to all property acquired by the authority, and the revenues and income therefrom, is in the name of the authority. The title to any moneys, revenues, sinking funds, reserve funds and other funds of the authority and the income thereof pledged to the payment of the principal or any interest on any bonds issued hereunder is subject to the trusts hereby created in favor of the bondholders.\* \* \*



## Article 4. Property

30600. The district may take by grant, purchase, gift, devise, or lease, or by condemnation as hereinbefore provided, or otherwise acquire, and hold and enjoy, real and personal property of every kind within or without the district necessary to the full or convenient exercise of its powers. The board may lease, sell, or otherwise dispose of any real or personal property within or without the district when in its judgment it is for the best interests of the district so to do.

30601. Whenever the board by resolution determines that any record, map, book, or paper in the possession of the district or any officer or employee thereof is of no further value to the district, the board may authorize its sale, destruction, or other disposition.

Provisions of LAMTA Act Most Closely Corresponding  
with Section 30630 of SCRTD Law

Sec. 4.4. The authority shall have power to acquire, construct, complete, develop, own, operate and maintain the system; including power to acquire by purchase, lease, gift or otherwise all or any part of any patents, licenses, rights, interests, engineering studies, data or reports owned or held by any person and determined by the authority to be necessary, convenient or useful to the authority in connection with the acquisition, construction, completion, development, ownership, operation or maintenance of the system.

Sec. 6.10. The authority may enter into a contract with the owner of an existing system for the purchase by the authority of such existing system or any portion thereof and may purchase such system or portion thereof substantially in accordance with the terms of such contract. In the report required by Section 6.1 in connection with such purchase, new studies and findings need not be made by the authority as to any subject matter which appears as a public record of the Public Utilities Commission, which subject matter may be incorporated in the report by reference. The authority may exchange its revenue bonds for such existing system (meaning, wherever used in this section, either an existing system, or any portion thereof, as the case may be) or for such existing system plus additional cash. In consideration, in whole or part, for such existing system, or for such existing system plus additional cash, the authority may issue its revenue bonds and it may undertake such obligations as are provided by the indenture in respect thereof, and it may assume any or all contracts, obligations, indebtedness and liabilities of such existing system or the owner thereof. In connection with the purchase of an existing system or portion thereof from a privately operated public utility, the authority may indemnify and save and hold harmless the seller and its predecessors in interest and the officers, directors, stockholders, employees and agents of any of them, past, present and future, and each of them, from and against any obligation, liability, loss, cost, damage, forfeiture and expense which may be incurred or suffered by or asserted against, or the performance or payments of which becomes due from, the seller or any of such other persons under or in connection with any franchise which is owned, enjoyed or held by the seller at the time of the transfer of the existing system or portion of system to the authority and was employed by the

(contd. on p.94)

Article 5. Rapid Transit Facilities  
and Service

30630. The district may provide a rapid transit system for the transportation of passengers and their incidental baggage.

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(contd. from p.93)

seller in furnishing transit service with the system or portion of the system so transferred; provided, such obligation, liability, loss, cost, damage, forfeiture or expense is incurred or suffered or asserted, or the performance or payment thereof becomes due either by reason of or in connection with the transfer of the system or portion of the system to the authority or by reason of or in connection with any matter, time, action, omission, violation, election, demand, transaction or event subsequent to such transfer. Section 851 of the Public Utilities Code shall not apply to such contract, or to any sale of assets or other action taken pursuant to such contract, and the Public Utilities Commission of the State of California shall have no jurisdiction with respect thereto.

Sec. 6.12. The governing body of any public corporation within the metropolitan area may petition the authority by resolution for an extension of mass rapid transit service, and the authority shall provide for a public hearing to consider such petition.

Upon conclusion of the public hearing, the authority shall make economic engineering studies concerning such extension of mass rapid transit services; and if such extension is shown to be economically feasible, the authority shall proceed to engineer, finance, construct, and operate such mass rapid transit services.



Provisions of LAMTA Act Most Closely Corresponding  
with Section 30631 of SCRTD Law

Sec. 4.8. Whenever the authority acquires any existing system or portion thereof (whether motorbuses, trolley coaches, streetcars or other types of mass transit) it may continue to maintain and operate such system or portion thereof in, upon and across any and all streets, highways, freeways and other public places upon which such system or portion, as the case may be, was operated at the time the same was acquired by the authority. The authority shall not construct (excluding, however, any repair or reconstruction of the structures of any existing system acquired by the authority) any subways, elevated railways, overhead suspended transit, or any other structures constituting a method of mass rapid transit in, upon, over, under or across any street or highway until it shall have complied in all respects with the requirements of Sections 6.1 and 6.2 of this act. The authority shall not construct (excluding, however, any repair or reconstruction of the structure of any existing system acquired by the authority) any subways, elevated railways, overhead suspended transit, or any other structures constituting a method of mass rapid transit in, upon, over, under or across any public streets, highways, freeways, and other public places without the consent of the city, county or State having jurisdiction over such street, highway, freeway or other public place; provided, however, that the Authority may construct such a system in a subway along a route determined in accordance with Sections 6.1 and 6.2 of this act, where neither such subway, nor the construction thereof, interferes with or diminishes the existing surface or "subsurface uses" of any public street or highway; provided, further, however, that if such subway, or the construction thereof, interferes with or diminishes the existing surface or "subsurface use" of any public street or highway, then to the extent that there is such interference or diminution the consent of the public agency having jurisdiction over the respective public street or highway shall first be obtained. The authority may operate motorbus lines, and motorbuses upon any public streets, highways, ways or freeways, and, subject to the requirements of the two last preceding sentences with respect to new structures, may operate any other method of mass rapid transit in, upon, over, under or across public streets, highways, freeways and other public places. It shall be presumed that use of the streets, highways, freeways and other public places by the authority for any of the purposes permitted herein constitutes no greater burden on adjoining properties than the uses existing as of the effective date of this provision. In the event facilities (including, but not limited to, streets, highways, pipe-

(contd. on p.97)

30631. The district may acquire, construct, own, operate, control or use rights-of-way, rail lines, monorails, bus lines, stations, platforms, switches, yards, terminals, parking lots and any and all other facilities necessary or convenient for rapid transit service within or partly without the district, underground, upon, or above the ground and under, upon, or over public streets, highways, bridges, or other public ways or waterways, together with all physical structures necessary or convenient for the access of persons and vehicles thereto, and may acquire or contract for any interest in or rights to the use or joint use of any or all of the foregoing; provided, that installations in state freeways shall be subject to the approval of the State Department of Public Works and installations in other state highways shall be subject to Article 2 (commencing with Section 670), Chapter 3, Division 1 of the Streets and Highways Code.

It shall be presumed that the use of the streets, highways, freeways and other public places by the district for any of the purposes permitted herein constitutes no greater burden on adjoining properties than the uses existing as of the effective date of this provision. In the event facilities, other than state highways or freeways referred to above, (including, but not limited to, streets, highways, pipelines, sewers, water mains, storm drains, poles, communications wires,

Provisions of LAMTA Act Most Closely Corresponding  
with Section 30631 of SCRTD Law (contd. from p.95)

lines, sewers, water mains, storm drains, poles, communications wires, and electric transmission wires) of another public corporation, the State, or of a private owner must necessarily be relocated, replaced, or altered in order for the authority to construct its system for mass rapid transit, or in the event the construction by the authority of its system makes necessary the relocation, replacement, or alteration of any such facilities of another public corporation, the State or of a private owner in order to maintain the functioning of such facilities at their previous level of service, such facilities shall be relocated, replaced or altered with reasonable promptness by the respective public corporation, State, or private owner and the authority shall reimburse such public corporation, State, or private owner for the actual cost necessarily incurred in such relocation, replacement, or alteration.



and electric transmission wires) of another public agency, the State, or of a private owner must necessarily be relocated, replaced, or altered in order for the district to construct or operate its system, or in the event the construction or operation by the district of its system makes necessary the relocation, replacement, or alteration of any such facilities of another public agency, the State, or of a private owner in order to maintain the functioning of such facilities at their previous level of service, such facilities shall be relocated, replaced or altered with reasonable promptness by the respective public corporation, State, or private owner and the district shall by prior agreement reimburse such public corporation, State, or private owner for the actual cost necessarily incurred in such relocation, replacement, or alteration.

The district may enter into an agreement with any city or county having jurisdiction over the street or highway involved, and as may be provided in such an agreement, may close any such city street or county highway at or near the point of its interception with any district facility or may make provision for carrying such city street or county highway over or under or to a connection with such district facility and may do any and all work on such city street or county highway as is necessary therefor. No city street or county highway shall be closed, either directly or indirectly, by the construction of district facilities except: (1) pursuant to such an agreement or (2) while temporarily necessary during the construction of district facilities.

Provisions of LAMTA Act Most Closely Corresponding  
with Section 30632 of SCRTD Law

Sec. 4.17. The authority shall have power to lease the system or any part thereof to, or contract for the use of the system or any part thereof by, any operator; provided, however, that any revenue bond indenture may prohibit, limit or restrict the exercise of such power.

30632. The district may lease or contract for the use of its facilities, or any portion thereof, to any operator, and may provide for subleases by such operator upon such terms and conditions as it deems in the public interest. The word "operator" as used in this section means any city or public agency or any person, firm or private corporation engaged in the transportation of passengers for hire, properly holding a Public Utilities Commission approved and authorized certificate of public convenience and necessity for the transportation of passengers.

Provisions of LAMTA Act Most Closely Corresponding  
with Section 30633 of SCRTD Law

[See LAMTA Act Section 4.8 on pages  
95-97.]

30633. The district may construct, acquire, maintain and operate works and facilities in, under, upon, over, across, or along any road, street, alley, avenue or public highway or any stream, bay or watercourse, or over any of the lands which are the property of the State, to the same extent that such rights and privileges relating to roads, streets, alleys, avenues or highways are granted to municipalities within the State for such uses or any other uses or uses, including, but not limited to, the provisions of Article 3 (commencing with Section 10101) of Chapter 1 of Division 5 of the Public Utilities Code.

Provisions of LAMTA Act Most Closely Corresponding  
with Section 30634 of SCRTD Law

Sec. 4.5. The authority shall have power to enter into agreements for the joint use of any property and rights by the authority and any public utility operating any transportation facilities; to enter into agreements with any public utility operating any transportation facilities either within or without the metropolitan area for the joint use of any property of the authority or public utility, or the establishment of through routes, joint fares and transfer of passengers.



30634. The district may enter into agreements for the joint use of any property and rights by the district and any city, public agency or public utility operating transit facilities; may enter into agreements with any city, public agency or public utility operating any transit facilities, either wholly or partially within, or without, the district, for the joint use of any property of the district or of such city, public agency or public utility, or the establishment of through routes, joint fares, transfer of passengers or pooling arrangements. As to any service which the district is authorized to perform pursuant to this part, the district may contract for the performance of such service by any city or county the territory of which is wholly or partly included within the district.

Provisions of LAMTA Act Most Closely Corresponding  
with Section 30635 of SCRTD Law

Sec. 4.25. The authority may acquire for cash or by exchange of its bonds any publicly or privately owned business, within or without the metropolitan area, which may be integrated as feeder services with the system of the authority. In any such acquisition by the authority by exchange of its bonds, its bonds may be exchanged at a price below the par or face value thereof; provided, that the maximum net interest cost to the authority of bonds exchanged at less than their par or face value shall not exceed an average of six (6) percent a year, computed on a 360-day year basis, payable semiannually from the date of said bonds to the respective maturity dates thereof.

30635. The district may operate such feeder bus lines and other feeder services as necessary.

Provisions of LAMTA Act Most Closely Corresponding  
with Section 30636 of SCRTD Law

Sec. 6.1. Whenever in the judgment of the authority it is advisable that the system or any part thereof be acquired, constructed or completed, in whole or in part, it shall cause a report thereon to be made which shall include:

(a) An estimate of the probable cost of the acquisition, construction and completion including all incidental expenses, engineering, legal and administrative, during construction;

(b) An estimate of the probable sources of income and the amount thereof;

(c) An estimate of the cost of maintenance and future operation upon completion, including the cost of all repairs, administrative and overhead charges.

Whenever such report relates to the construction of new stations, platforms, terminals, structures or facilities (all of the foregoing being hereafter referred to in this section by the word "facilities") constituting a method of mass rapid transit, the authority or its authorized representative shall, in connection with the studies necessary to determine the possible locations for the said facilities, confer with the appropriate local governing bodies and other agencies that may be affected thereby and with their technical and planning personnel, obtaining where available any master or general plan of the area. The authority or its authorized representative shall give written notice to each affected city or county that it may, within a period prescribed by the authority or its authorized representative (which period shall not be less than sixty (60) days), submit evidence of the effect that the location of said facilities would have upon community values, including but not limited to property values, state and local public facilities, and city street and county highway traffic. When sufficient information has been accumulated to permit intelligent discussion, the authority or its authorized representative shall publicize and hold such public meeting, or meetings, as may be reasonably necessary to acquaint interested individuals, officials and civic or other groups with the studies made and the information developed, and to obtain their views with respect thereto. The report required by this section shall cover the results of such conferences and meetings, the relationship between all proposed locations of such facilities and any master or general plans of the affected local agency or agencies, and any information submitted by affected cities or counties pursuant to this section, and a recommendation as to the location

(contd. on p.109)



30636. As soon as practicable after the effective date of this part, the board shall cause a preliminary report to be made as to a rapid transit service and system which shall include:

- (a) The estimated cost of the acquisition, construction and completion and all incidental expenses connected therewith;
- (b) The probable sources of income and the estimated amount thereof;
- (c) The estimated cost of maintenance and operation thereof;
- (d) The proposed method or methods of financing;
- (e) Any other information deemed pertinent, including, without limitation, the design of stations, platforms, terminals, structures and facilities constituting a method of rapid transit (all of the foregoing being hereafter referred to in this section by the word "facilities"), the location thereof and the routes of the system.

The district shall, in connection with the studies necessary to determine the possible routes and locations for the said facilities, confer with the appropriate local governing bodies and other agencies that may be affected thereby and with their technical and planning personnel, obtaining where available any master or general plan in the affected areas.

The district shall give written notice of the preliminary report to each affected city or county that it may, within a period prescribed by the district (which period shall not be less than sixty (60) days), submit comments or evidence as to the effect that the design location and routes of said facilities would have in their areas, including, without limitation, the effect upon property values, state and local facilities, and city street and county highway traffic.

When sufficient information has been accumulated to permit intelligent discussion, the district shall publicize and hold such public meeting or meetings as may be reasonably necessary to acquaint interested individuals, officials and civic or other groups with the studies made and the information developed and to obtain their views with respect to the preliminary report.

Using the information developed the district shall then prepare a final report containing the foregoing subdivisions (a) to

Provisions of LAMTA Act Most Closely Corresponding  
with Section 30636 of SCRTD Law (contd. from p.107)

of such facilities.

Sec. 6.2. (a) If the report is approved by the authority, the authority may adopt a resolution declaring that the public interest and necessity demand the acquisition, construction, or completion of the system or part thereof, authorizing such acquisition, construction, or completion, and may thereupon authorize the issuance of revenue bonds for the purpose of obtaining funds in an amount estimated by the authority to be sufficient for such purpose.

(b) Whenever such report relates to the construction of new stations, platforms, terminals, structures or facilities (all of the foregoing being hereafter referred to in this section by the word "facilities") constituting a system of mass rapid transit the authority shall, prior to the adoption of the resolution referred to in subdivision (a) of this section, notify the governing bodies of the cities or counties within whose jurisdiction said facilities are recommended to be constructed, which notice shall be publicized, of the intention of the authority to consider the location of the said facilities. Such notification shall include a statement that the authority will hold a public hearing on the proposed location, if requested to do so by the governing body within thirty (30) days following receipt of such written notification by the governing body; provided, however, that if, prior to receipt of such notification from the authority, the governing body or bodies shall have, by resolution, declared that no public hearing by the authority is necessary, then the notification by the authority shall advise such governing body only of the intention of the authority to consider the matter. If any such governing body requests such hearing, the authority will hold a hearing, after public notice given in such manner as the authority may determine, at which time and place all persons, and official bodies and other organizations interested in the matter, shall be afforded an opportunity to be heard. The authority may also, on its own motion, call a public meeting or hold such hearings as it may deem appropriate. If no hearing is requested, the authority may determine the locations for the said facilities within the limits of the cities or counties to which the notice required by this section was given after the expiration of such period of thirty (30) days and may thereafter adopt the resolution referred to in subdivision (a) of this section. If a hearing is requested, the authority must determine the location for the said facilities within the limits of the cities or counties to which the notice required by this section was given within ninety (90) days after the first day on which such hearing is held, and may thereafter adopt the resolution referred to in subdivision (a) of this section.



(e) and such other matters deemed pertinent, including, without limitation, the information obtained at conferences and meetings, the relationship between all proposed routes and locations of such facilities and any master or general plans of the affected local agency or agencies and any information submitted by affected cities or counties pursuant to this section. The final report shall conclude with a recommendation as to the routes, location and design of such facilities.

The district shall serve written notice of the final report to each affected city or county that it may, within a period to be prescribed by the district (which period shall be not less than sixty (60) days), request a public hearing. Such notification shall include a statement that the district will hold a public hearing, if requested to do so by the governing body, within thirty (30) days following receipt of such written notification by the governing body; provided, however, that if, prior to receipt of such notification from the district, the governing body or bodies shall have, by resolution, declared that no public hearing by the district is necessary, then the notification by the district shall advise such governing body only of the intention of the district to consider the matter.

If any such governing body requests such hearing, the district shall hold a hearing, after public notice given in such manner as the district may determine, at which time and place all persons, and official bodies and other organizations interested in the matter, shall be afforded an opportunity to be heard. The district may also, on its own motion, call a public meeting or hold such hearings as it may deem appropriate. If no hearing is requested, the district may determine the routes, locations and design for the said facilities within the limits of the cities or counties to which the notice required by this section was given after the expiration of such period of thirty (30) days. If a hearing is requested, the district must determine the routes, location and design for said facilities within the limits of the cities or counties to which the notice required by this section was given within ninety (90) days after the first day on which such hearing is held.

Any city or county that objects to a particular route or design may request the district for an estimate of the extra capital cost of eliminating its particular objection by rerouting or redesign. The district shall make such estimate and transmit it to the objecting city or county. The city or county may then offer to pay the increase in capital cost and the redesign cost thereof. The district may, in its discretion, accept such offer, subject to provisions satisfactory to it being made for the payment thereof, and reroute or redesign; or it may, in its discretion, conduct improvement district proceedings under Article 5 (commencing with Section 30960) of Chapter 7 of this part to pay such increase in capital cost and redesign cost or it may reject the objection.

Provisions of LAMTA Act Most Closely Corresponding  
with Section 30637 of SCRTD Law

Sec. 4.21. One of the purposes of this act is to coordinate any operations of the authority with the operations of any then existing system, and no other section of this act shall relieve the authority from the limitations, obligations and requirements of this section. If the authority proposes, and shall then be ready, able and willing, to establish, construct, complete, acquire, operate, extend or reroute (all of the foregoing being hereinafter referred to by the word "establish" in all forms thereof), directly or indirectly, either itself or by lease or contract with any other person or persons or otherwise, any mass rapid transit service or system in such manner or form as will or may, either then or at any time in the future, divert, lessen or compete for the patronage or revenues of the existing system of a publicly or privately owned public utility (excluding any subsequent extension or rerouting of the latter) situated entirely within the metropolitan area, or seventy-five percent (75%) of whose revenue vehicle miles for the preceding calendar year are operated within the metropolitan area, then the authority shall give to each such public utility prior written notice of the proposed establishment of such service or system in sufficient detail to fully apprise such public utility of the form, nature and extent thereof and (subject to the restrictions of this section) of the time within which the authority intends to establish such service.

Until 120 days after receipt of such notice by each such public utility, the authority shall not establish any such proposed service or system. At any time after receipt of such notice, or if the authority without giving such notice establishes any such proposed service or system in violation of this section then at any time after establishment of such service or system and in either event until the expiration of 120 days after the receipt of such a notice, each such public utility shall have the option, in its sole discretion to be exercised by written notice to the authority, (i) to require the authority to purchase that portion of the existing system of such public utility (as designated in such written notice) the patronage or revenue from which will or may be diverted, lessened, or competed for by the establishment of the proposed service or system by the authority, or (ii) to require the authority to purchase all of the existing system of such public utility.

If such public utility elects the relief described under clause (i) or (ii) above, then unless within ninety (90) days

-(contd. on p.113)

30637. The district shall not exercise control over any transit facilities now or hereafter owned and operated wholly or partly within, or without, the district by any city or public agency, unless by consent of such city or public agency and upon such terms as are mutually agreed upon between the board and such city or public agency.

The district shall not establish, construct, complete, acquire, operate, extend or reroute (all of the foregoing being hereinafter referred to by the word "establish" in all forms thereof), directly or indirectly, either itself or by lease or contract with any other person or persons or otherwise, any rapid transit service or system in such manner or



Provisions of LAMTA Act Most Closely Corresponding  
with Section 30637 of SCRTD Law (contd. from p.111)

after receiving written notice of such election the authority gives such public utility notice in writing that it has abandoned any intention to establish the proposed service or system of which it gave notice and has abandoned any such service or system which it established without giving such notice in violation of this section, the authority shall be obligated to such public utility for the relief so elected and the authority shall not establish the proposed service or system until it has completed the purchase of all or part of the existing system of such public utility in accordance with such election. The purchase price to be paid for such existing system (intending thereby only a portion of the existing system when the election has been to sell only such portion) shall be the reproduction cost new (including going concern value) of such existing system at the date of the giving of the notice of election, less depreciation (including wear and tear and obsolescence, if any) to date of transfer or to the 180th day after the giving of the notice of election whichever date occurs earlier; but in no event less than the average annual gross revenue for the preceding three calendar years of such existing system. In the event that such public utility has elected relief under clause (i) above, it shall be entitled as a part of such price to severance damages for the loss of value of the unsold portion of the existing system of such public utility; and in the event such public utility has elected relief under clause (ii) above, the authority shall assume all payments becoming due after the date of purchase on all contracts and obligations of such public utility which payments if made by such a public utility would be includible as expenses of operation subsequent to the date of transfer to the authority under the system of accounting prescribed by the Public Utilities Commission or which payments are pursuant to contracts for delivery of assets by third persons or for the making or completion of additions or improvements subsequent to said date of transfer. In the event that the authority purchases such existing system from such public utility pursuant to an election by the latter under either clause (i) or (ii) above, the authority shall indemnify and save and hold such public utility harmless from all payments included in the preceding sentence and from any franchise or contract liabilities to any public corporation which mature or accrue after such purchase and which were incurred in connection with such existing system so purchased and the portions of the mass rapid transit service formerly served with such existing system. The authority may at any time enter into an agreement with each such public utility as to the amount of such price.

(contd. on p.115)

form as will or may, either then or at any time in the future, divert, lessen or compete for the patronage or revenues of the existing system of a publicly or privately owned public utility without the consent of the said utility.

The maintenance and operation but not the extension or rerouting, of any existing system acquired by the district from a publicly or privately owned public utility shall not be deemed to be the establishment of a rapid transit service or system within the meaning of this section.

The construction by the district of any structures constituting a method of rapid transit, and the operation therein and thereon of any equipment except buses, shall not be deemed to be the establishment,



Provisions of LAMTA Act Most Closely Corresponding  
with Section 30637 of SCRTD Law (contd. from p.113)

Unless the authority and such public utility have agreed upon the amount of the price required to be paid hereunder, or unless they have agreed that the amount of such price shall be established by arbitration and upon the method of naming arbitrators and the method of conducting such arbitration, the amount of such price may be fixed and judgment entered thereon in a suit brought either by the public utility or by the authority in the superior court of the State of California in and for the county in which is located that portion of the existing system to be acquired by the authority from such public utility which is the largest in value.

Any public utility whose patronage or revenues are diverted, lessened or competed for by any act of the authority which is in violation of this section shall be entitled to injunctive relief against the authority to stop such violation.

The maintenance and operation, but not the extension or re-routing, of any existing system acquired by the authority from a publicly or privately owned public utility shall not be deemed to be the establishment of a mass rapid transit service or system within the meaning of this section.

Section 851 of the Public Utilities Code shall not apply to any contract for sale or sale of an existing system or portion thereof or other action taken pursuant to this section, and the Public Utilities Commission of the State of California shall have no jurisdiction with respect thereto.

Notwithstanding any provision of this act, to the contrary, the authority shall not, either directly or indirectly either itself or by lease or by contract with any person or persons or otherwise, establish any mass rapid transit service or system in such manner or form as will or may, either then or at any time in the future, divert, lessen or compete for the patronage or revenues of any publicly owned system unless and until it has complied with the following procedure and received the consent of the public corporation concerned, in the following manner:

The authority shall submit to the legislative body in charge of the publicly owned system a written detailed statement covering the proposed plan affecting the publicly owned system. Thereafter, the public corporation concerned shall hold a public hearing before the legislative body thereof on the proposal submitted, and such legislative body shall take such action as in its judgment

(contd. on p.117)

construction, completion, acquisition, operation or extension of rapid transit within the meaning of this section.

No publicly owned public utility shall establish, construct, complete, acquire, or extend, directly or indirectly, either itself or by lease or contract with any other person or persons or otherwise, any rapid transit service system in such manner or form as will then substantially divert or reduce the patronage or revenues of the system operated by the district. Any municipality may acquire and operate any existing transportation system within its existing transit service area without being in violation of this paragraph and may make route extensions to such system

Provisions of LAMTA Act Most Closely Corresponding  
with Section 30637 of SCRTD Law (contd. from p.115)

will be in the public interest. If the proposal calls for the sale of the entire system or any portion thereof, the legislative body shall submit such proposal to a vote of the electors of the public corporation owning such transportation system. If such question is submitted to the electors and they decline to consent, the authority shall not proceed and shall not locate any new route into the area served by the publicly owned system. Should consent to the proposal submitted by the authority be granted by the legislative body of the public corporation, or if the proposal involves the sale of such publicly owned system or any portion thereof and the electors consent to such sale, then the authority shall proceed in the same manner as provided in this section for the acquisition of privately owned public utilities.

The construction by the authority of any structures constituting a method of mass rapid transit, and the operation therein and thereon of any equipment except buses, shall not be deemed to be the establishment, construction, completion, acquisition, operation or extension of mass rapid transit within the meaning of this section.

No publicly owned public utility shall establish, construct, complete, acquire, or extend, directly or indirectly, either itself or by lease or contract with any other person or persons or otherwise, any mass rapid transit service system in such manner or form as will then substantially divert or reduce the patronage or revenues of the system operated by the authority. Any municipality may acquire and operate any existing transportation system within its existing transit service area without being in violation of this paragraph and may make route extensions to such system within its existing transit service area where such extensions do not compete with the established services of the authority. The authority shall be entitled to injunctive relief against any publicly owned public utility to stop any act of such utility which is in violation of this section.

within its existing transit service area where such extensions do not compete with the established services of the district.

Nothing in this part shall be construed as in any way preventing or restricting the City of Los Angeles or any other city from exercising any powers which it has under Section 19 of Article XI of the California Constitution, including, without limitation, the establishing and operation of any point to point lines or system of rapid transit to operate in connection with any other transportation services established and operated by such city.



Provisions of LAMTA Act Most Closely Corresponding  
with Sections 30638-30645 of SCRTD Law

Sec. 4.9. The authority may fix rates, fares, tolls, charges, rents or other charges for the use of the system acquired, constructed, operated or maintained by the authority and may alter, change or modify the same, all subject to the covenants in any revenue bond indenture pursuant to which revenue bonds have been issued and are outstanding which contains covenants entered into by the authority with respect to the fixing of such rates, fares, tolls, charges and rents. The authority shall not increase its passenger tariffs until it shall first have held a public hearing, at which hearing members of the public who would be affected by such increase shall have been given an opportunity to be heard. Notice of such hearing shall be published once in a newspaper of general circulation in the metropolitan area not less than 10 days in advance of such hearing, which notice shall state the time, place, and purpose of such hearing.

Sec. 4.10. The authority may enter into covenants to fix and to maintain rates, fares or charges sufficient at least to pay expenses of maintenance, operation and administration and to service the outstanding bonds and other obligations of the authority, if any, including but not limited to any amounts required for reserve, sinking or other special funds provided in the indenture; and it may also enter into covenants to increase rates, fares or charges from time to time as may be necessary pursuant to any such contract or agreement with the holders of any bonds or other obligations of the authority.

Sec. 5.14. An indenture may include a clause relating to the bonds issued thereunder requiring the authority to fix, prescribe and collect rates, fares, tolls, rentals or other charges in connection with the services and facilities furnished from the system or any part thereof, acquired, constructed or purchased from part or all of the proceeds of the bonds, at least sufficient to pay the principal of and interest on the bonds as they become due and payable, together with all expenses of operation, maintenance and repair of the system, and with such additional sums as may be required for any sinking fund, reserve fund, or other special fund provided for the further security of such bonds or as a depreciation charge or other charge in connection with such improvement.

(contd. on p.121)



30638. The rates and charges for service furnished pursuant to this part shall be fixed by a vote of two-thirds of all of the members of the board and shall be reasonable. Insofar as practicable, such rates shall be fixed so as to result in revenue which will make the transit system self-supporting, and shall be sufficient to accomplish the following:

- (a) Pay the operating expenses of the district;
- (b) Provide for repairs, maintenance, and depreciation of works owned or operated by the district;
- (c) Provide for the purchase, lease, or acquisition of equipment under the provisions of Article 3 (commencing with Section 30940) of Chapter 7 of this part;
- (d) Provide for the payment of the interest and principal of the bonded debt, subject to the applicable provisions of this part authorizing the issuance and retirement of bonds;
- (e) Provide for payment of contracts, agreements, leases, equipment, trust certificates and other legal liabilities assumed under Chapter 8 (commencing with Section 31000) of this part.

After making any current allocations of funds required for the purposes prescribed by subdivisions (a) to (e), inclusive, of this section and by the terms of any indebtedness incurred under Article 1 (commencing with Section 30900), Article 2 (commencing with Section 30930) and Article 5 (commencing with Section 30960) of Chapter 7 of this part, the board may provide funds for any purpose the board deems necessary and desirable to carry out the purposes of this part.

The provisions of this section shall not constitute a covenant to the holders of any bonds or other evidences of indebtedness of the district unless the ordinance, resolution, or indenture providing for the issuance thereof so provides.

30639. The board of supervisors of a county, or the governing body of a city having territory located within the district may file a request for a hearing before the district board as to the reasonableness of any rates or charges fixed by the district and as to any proposal for fixing the location of facilities by the district. The request shall be in writing and shall state the subject matter on which a hearing is desired.

30640. Upon the filing of a request for hearing as provided in Section 30639 the district board shall fix the time and place for hearing. The time fixed shall not be less than fifteen (15) days nor more than sixty (60) days from the date such request is filed.

Provisions of LAMTA Act Most Closely Corresponding with  
Sections 30638-30645 of SCRTD Law (contd. from p. 119)

Sec. 7.1. The authority shall fix the rates, fares, tolls and other charges for all transportation facilities comprising the system or any part thereof acquired, constructed or completed under the terms of this act, for the use thereof by any persons utilizing such facilities. Subject to such contractual obligations as may be entered into by the authority and the holders of the revenue bonds issued under this act, the authority is authorized to change such rates, fares, tolls and charges from time to time as conditions warrant. All rates, fares, tolls and charges shall be at all times fixed to yield annual revenue at least equal to annual operating and maintenance expenses, including insurance costs and all redemption payments and interest charges on the revenue bonds at any time issued and outstanding hereunder, as the same become due, and all sums required for sinking funds, reserve funds or other trust funds, or otherwise required to comply with the provisions of any covenant in the revenue bond indenture or indentures pursuant to which such revenue bonds have been issued. The bond redemption and interest payments shall constitute a first, direct and exclusive charge and lien on all such rates, fares, tolls and charges and other revenues and interest thereon, and sinking funds created therefrom, received from the use and operation of the system; and all such rates, fares, tolls, charges and other revenues, together with interest thereon, shall constitute a trust fund for the security and payment of such bonds and, except as and to the extent provided in any indenture with respect to the payment therefrom of expenses for other purposes including administration, operation, maintenance, improvements or extensions of the system, shall not be used or pledged for any other purpose so long as such bonds, or any of them, are outstanding and unpaid. The authority may provide that the rates, fares, tolls and charges established are minimum rates, fares, tolls and charges and subject to increase or decrease in accordance only with the terms of the indenture under which the revenue bonds are issued.

Notice of such hearing shall be given to the county or city requesting such hearing, shall be mailed to the governing body of each city and county wholly or partially within the district, and shall be published once by the board.

30641. At the time fixed for any hearing before the board any board of supervisors or city governing body eligible to file a request for hearing, not a party to the original request for hearing, may intervene and shall be entitled to be heard and to introduce evidence.

30642. The district, petitioner or petitioners, and the intervenors shall have the right to call and examine witnesses; to introduce exhibits; to cross-examine opposing witnesses on any matter relevant to the issues even though that matter was not covered in direct examination; and to rebut evidence introduced by other parties.

30643. Oral evidence shall be taken only on oath or affirmation. The hearing need not be conducted according to technical rules relating to evidences and witnesses. Any relevant evidence shall be admitted if it is the sort of evidence on which responsible persons are accustomed to rely in the conduct of serious business affairs, regardless of the existence of any common law or statutory rule which might make improper the admission of such evidence over objection in a civil action. Hearsay evidence may be used for the purpose of supplementing or explaining any direct evidence but shall not be sufficient in itself to support a finding unless it would be admissible over objection in a civil action.

30644. A complete record of all proceedings and testimony before the board at such hearing shall be taken down by a reporter appointed by the board. In case an action is brought to review any decision of the board, a transcript of such testimony, together with all exhibits or copies thereof introduced, together with the written request for hearing and other proceedings in the cause shall constitute the record on review; provided, however, that the board and other parties may stipulate in writing that a specified portion of the evidence be certified to the court for judgment and in such case the portion of the evidence specified and the stipulation specifying such evidence shall be the record on review.

30645. Within thirty (30) days after the conclusion of the hearing the board shall render its decision in writing together with written findings of fact. Copies of the findings and decision shall be sent forthwith to the petitioners and intervenors by certified mail, postage prepaid.



Provisions of LAMTA Act Most Closely Corresponding  
with Sections 30646-30647 of SCRTD Law

[Second paragraph of] Sec. 3.2. \* \* \*

The authority shall be subject to the jurisdiction of the Public Utilities Commission with respect to safety rules and other regulations governing the operation of passenger stage corporations and street railroad corporations as contained in General Order No. 98 of the commission, or any modification thereof.

[Second paragraph of] Sec. 3.11. \* \* \*

In the operation of transit facilities, the authority, and any corporation, association, or individual acting for the authority, shall adopt and comply with safety regulations prescribed by the Public Utilities Commission applicable to comparable street railway and bus systems.

30646. The district shall be subject to regulations of the Public Utilities Commission relating to safety appliances and procedures, and the commission shall inspect all work done pursuant to this part and may make such further additions or changes necessary for the purpose of safety to employees and the general public.

The district shall be subject to the jurisdiction of the Public Utilities Commission with respect to safety rules and other regulations governing the operation of street railways. The commission shall enforce the provisions of this section.

30647. The district shall be subject to the provisions of Division 14.8 (commencing with Section 34500) of the Vehicle Code with respect to the operation of buses and to the rules and regulations prescribed by the Department of the California Highway Patrol pursuant to that chapter regulating the safe operation of buses.



Provisions of LAMTA Act Most Closely Corresponding  
with Section 30670 of SCRTD Law

Sec. 4.23. Claims for money or damages against the authority are governed by Part 3 (commencing with Section 900) and Part 4 (commencing with Section 940) of Division 3.6 of Title 1 of the Government Code, except as provided therein, or by other statutes or regulations expressly applicable thereto.

## Article 6. Claims

30670. All claims for money or damages against the district are governed by Part 3 (commencing with Section 900) and Part 4 (commencing with Section 940) of Division 3.6 of Title 1 of the Government Code except as provided therein, or by other statutes or regulations expressly applicable thereto.

Provisions of LAMTA Act Most Closely Corresponding  
with Section 30700 of SCRTD Law

Sec. 5.1. The authority may issue revenue bonds for the acquisition, construction or completion of the system or any part thereof, and such revenue bond issue may also include payment for the incidental expenses (legal, engineering, fiscal and other) connected with issuing and disposing of the bonds and an amount for financing or the creation of an operating fund and all incidental expenses connected with the acquisition, construction or completion of the system or any part thereof or for reimbursement of advances to or by the authority for such purposes or for working capital. The total amount of revenue bonds that may be issued by the authority shall not be limited as to aggregate principal amount, except as the authority may provide in any resolutions or indenture relating to the issue of any revenue bonds hereunder.

[See LAMTA Act Section 2.3 on page 7  
for definition of the term "bonds".]

## Article 7. Indebtedness

30700. The district may issue bonds, borrow money and incur indebtedness as authorized by law or in this part provided. The district may also refund any indebtedness as provided in this part or in any other applicable law, and may also refund, by the issuance of the same type of obligations as those refunded and following the same procedure as at that time may be applicable to the issuance of such obligations, and may retire any indebtedness or lien that may exist against the district or its property.

Provisions of LAMTA Act Most Closely Corresponding  
with Sections 30701-30703 of SCRTD Law

Sec. 4.15. The authority shall have power to apply for and accept grants and loans from any department or agency of the United States of America to be used for any of the purposes of the authority and to enter into any agreement with such department or agency in relation to such grants or loans; provided, that such agreement does not conflict with any of the provisions of any resolution securing the payment of bonds of the authority.

Sec. 9.1. The authority may accept contributions or appropriations from the United States of America, the State of California, or any department or agency of either thereof, or from any public corporation.

Sec. 9.2. The authority may cooperate and contract with the United States of America under any act of Congress heretofore and hereafter enacted authorizing or permitting such cooperation. The authority may enter into any contract, arrangement or agreement with, and may cooperate with any department or agency of the State of California or any public corporation for the development of the system.

Sec. 9.3. Any department or agency of the State of California or any public corporation may cooperate and enter into contracts with the authority for the acquisition, construction, completion, maintenance, operation, repair, joint or otherwise, and in whole or in part, of the system. In connection with any such cooperation or contract, the State or any such public corporation may make public contributions to the authority as in the judgment of the Legislature, or the governing board of the public corporation, are necessary or proper for its undertaking, and the authority may reimburse the State or such public corporation for any such advance or contribution from the proceeds of the sale of revenue bonds or any other funds available to the authority. Any agreement made by the authority for such reimbursement of advances or contributions made to it shall be valid and enforceable against the authority. The State or any such public corporation may also authorize, aid and assist the authority to carry out any activity which the State or such public corporation is by law authorized to perform and carry out on its own behalf.

(contd. on p.131)



30701. The district may accept contributions or loans from the United States, or any department, instrumentality, or agency thereof, for the purpose of financing the acquisition, construction, maintenance, and operation of transit facilities, and may enter into contracts and cooperate with, and accept cooperation from, the United States, or any department, instrumentality, or agency thereof, in the acquisition, construction, maintenance, and operation, of any such transit facilities in accordance with any legislation which Congress may have heretofore adopted or may hereafter adopt, under which aid, assistance, and cooperation may be furnished by the United States in the acquisition, construction, maintenance, and operation or in financing the acquisition, construction, maintenance, and operation of any such transit facilities. The district may do any and all things necessary, within the limitations imposed by this part or by any indebtedness created pursuant to this part, in order to avail itself of such aid, assistance, and cooperation under any federal legislation now or hereafter enacted. Any bonds, notes, equipment trust certificates, or like evidences of indebtedness issued for a purpose authorized by this section shall be issued in accordance with Chapter 7 (commencing with Section 30900) of this part.

30702. The district may cooperate with and enter into agreements with the State of California or any public agency for the acquisition, construction, completion, maintenance, operation, or repair, joint or otherwise, and in whole or in part, of transit facilities. In connection with any such cooperation or contract, the State or any public agency may make public contributions to the district as in the judgment of the Legislature, or the governing board of the agency, are necessary or proper for its undertaking, and the district may reimburse the State or public agency for any such advance or contribution from the proceeds of the sale of bonds or any other funds available to the district. The State or any public agency may also authorize, aid and assist the district to carry out any activity which the State or public agency is by law authorized to perform and carry out on its own behalf. Any bonds, notes, equipment trust certificates, or like evidences of indebtedness issued for a purpose authorized by this section shall be issued in accordance with Chapter 7 (commencing with Section 30900) of this part.

30703. The district may accept contributions or loans from the State of California or any public agency, for the purpose of planning, acquiring, constructing, operating or maintaining a rapid transit system, including, without limitation, the payment

Provisions of LAMTA Act Most Closely Corresponding with  
Sections 30701-30703 of SCRTD Law (contd. from p. 129)

Sec. 9.4. The Department of Public Works or any public corporation may cooperate with the authority by granting by purchase, lease, license, franchise, permit, or otherwise the right to use public highways or highway rights of way, or any portions thereof, under their respective jurisdictions for purposes of mass rapid transit.

Sec. 9.5. It is the intent of the Legislature that the authority shall be supported from sources other than the State Treasury. The authority shall pay into the General Fund in the State Treasury an amount equal to the total of any funds heretofore appropriated and expended from that fund, from the money first available through the sale of revenue bonds.

Sec. 9.6. After revenue bonds have been issued by the authority pursuant to Chapter 6 of this act, no public corporation shall make public contributions to the authority by undertaking any obligation of the authority, purchasing or operating the system or any part thereof, or in any other manner expending public funds for the purposes of the authority, unless a proposition to do so has been approved by a majority of the registered voters residing within the boundaries of such public corporation voting at an election to consider such a proposition. Provided, however, that nothing in this act prevents studies of transportation problems, or of proposed solutions, by any public corporation, or public employee, severally, jointly, or in cooperation with the authority. Provided, further, however, that a public corporation may expend funds to assist the authority as hereinafter set forth.

It is the intent of the Legislature that the authority acquire, construct, and complete the system, and operate and maintain the system, in such a manner that no public corporation shall, once revenue bonds of the authority are first issued or thereafter, assist the authority in the exercise of the powers granted herein by the levy or assessment of a tax or expenditure of tax money, or general obligation bonds; provided however that the governing body of the public corporation (or, in case of general obligation bonds, two-thirds of the voters of such public corporation) may extend such assistance to the authority in consideration of the authority providing rapid transit services requested by such public corporation.

Sec. 30703 continued from page 130]

of principal and interest and providing security funds for bonds or notes of the district issued for any such purposes, and may enter into contracts and cooperate with, and accept cooperation from, the State or any public agency therefor. The district shall be deemed to be a public rapid transit district, rapid transit district or any other type of public agency which is authorized by any other law to receive such contributions, loans or cooperation, including, without limitation, Sections 11005.1 and 11104 of the Revenue and Taxation Code; and the district may do any and all things necessary, within the limitations imposed by this part or by any indebtedness created pursuant to this part, in order to avail itself of such contributions, loans or cooperation.

LAMTA Act

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Provisions of LAMTA Act Most Closely Corresponding  
with Section 30704 of SCRTD Law

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[No comparable provision.]



30704. The district shall not incur an indebtedness which exceeds in the aggregate 15 percent of the assessed value of all real and personal property in the district. Within the meaning of this section, "indebtedness" includes, without limitation, any and all forms thereof which the district is authorized to issue by this part or by any other law.



Provisions of LAMTA Act Most Closely Corresponding  
with Section 30730 of SCRFD Law

Sec. 4.18. The authority shall have power to deposit any moneys of the authority, in accordance with the provisions of the general laws of the State of California governing the deposit of public moneys of counties, in such bank or banks in the State of California as may be authorized to receive deposits of public funds, in the same manner and upon the same security as public moneys of counties are deposited in such banks and with like force and effect, and to invest any moneys in any sinking fund or reserve fund created by any indenture or any surplus in the treasury of the authority not required for its immediate needs, in accordance with the general laws of the State of California relating to investments of county funds.

Sec. 10.7. Moneys in the construction fund, whether held by the treasurer or in any fiscal agency or depository of the authority, not required to meet acquisition or construction costs or expenses payable from the construction fund, or interest on the bonds, may be invested in bonds and other obligations eligible for investment of surplus county moneys; subject to such limitations as may be provided in the proceedings authorizing the issuance of the bonds. Any income or interest thereon shall be added to and become a part of the construction fund for the benefit of the authority.

## Article 8. Investments

30730. The board may, by resolution, order that any of the moneys in the funds under its control which are not necessary for current operating expenses be invested in any obligations, bonds or securities in which a county could invest such funds; provided, however, that (1) any such investments shall be made in such a manner that the moneys in such funds will be available at the times and in the amounts necessary to accomplish the purpose for which said funds were established, and (2) no such investment shall be made in contravention of any provision or covenant in any proceedings for the authorization and issuance of bonds, notes, contracts or other evidences of indebtedness.

Provisions of LAMTA Act Most Closely Corresponding  
with Sections 30740-30742 of SCRTD Law

[No comparable provisions.]

## Article 9. Elections

30740. All district elections shall be held in accordance with the provisions of the Elections Code of the State of California, as the same now exist or may hereafter be amended, for the holding of elections in general law cities insofar as the same are not in conflict with this part. Pursuant to the Elections Code, all district elections shall be consolidated with either a statewide general election or a statewide direct primary election.

30741. The provisions of the Elections Code of the State of California, as the same now exist or may hereafter be amended, governing the initiative and referendum in districts shall apply insofar as such provisions of the Elections Code are not in conflict with this part. Insofar as the district is concerned, officers of the district shall not be subject to recall.

30742. No irregularities or informalities in conducting any election shall invalidate the same if the election shall have been otherwise fairly conducted.

Provisions of LAMTA Act Most Closely Corresponding  
with Sections 30750-30756 of SCRTD Law

Sec. 3.6. (b) Employees shall have the right to self-organization, to form, join, or assist labor organizations, to bargain collectively through representatives of their own choosing, and to engage in other concerted activities for the purpose of collective bargaining or other mutual aid or protection. It is declared to be in the public interest that the authority shall not express any preference for one union over another. Notwithstanding any other provision of this act, whenever a majority of the employees employed by the authority in a unit appropriate for collective bargaining indicate a desire to be represented by a labor organization, the authority, upon determining as provided in subdivision (d) of this section that such labor organization represents the employees in the appropriate unit, shall enter a written contract with the accredited representative of such employees governing wages, salaries, hours and working conditions. In case of a dispute over wages, salaries, hours or working conditions, which is not resolved by negotiations in good faith between the authority and the labor organization, upon the agreement of both, the authority and the labor organization may submit said dispute to the decision of the majority of an arbitration board, and the decision of the majority of such arbitration board shall be final. The arbitration board shall be composed of two representatives of the authority, and two representatives of the labor organization, and they shall endeavor to agree upon the selection of the fifth member. If they are unable to agree, the names of five persons experienced in labor arbitration shall be obtained from the Supervisor of Conciliation of the Division of Conciliation, Department of Industrial Relations. The labor organization and the authority shall, alternately, strike a name from the list so supplied and the name remaining after the labor organization and the authority have stricken four names, shall be designated as the arbitrator. The labor organization and the authority shall determine by lot who shall first strike from the list. The decision of a majority of the arbitration board shall be final and binding upon the parties

(contd. on p.141)



## Article 10. Labor Provisions

30750. (a) Subject to the provisions of subdivision (b) of this section, whenever a majority of the employees employed by a district in a unit appropriate for collective bargaining indicate a desire to be represented by a labor organization, the board, upon determining as provided in Section 30751 that said labor organization represents the employees in the appropriate unit, and the accredited representative shall bargain in good faith and make all reasonable efforts to reach agreement on the terms of a written contract governing wages, hours, and working conditions. In the absence of the expression of such desire, employees would be subject to any personnel system established pursuant to the provisions of Section 30257.

(b) Upon the acquisition by the district of the property of the Los Angeles Metropolitan Transit Authority pursuant to the provisions of Chapter 8 (commencing with Section 31000) of this part, the district shall assume and observe all existing labor contracts and shall recognize the labor organization certified to represent the employees in each existing bargaining unit as the sole representative of the employees in each such bargaining unit. Any certification of a labor organization previously made under the provisions of the Los Angeles Metropolitan Transit Authority Act by the State Conciliation Service to represent or act for the employees in any collective bargaining unit shall remain in full force and effect and shall be binding upon the district. Such certifications and any certifications made hereunder shall not be subject to challenge on the grounds that a new substantial question of representation within such collective bargaining unit exists until the lapse of one year from the date of certification or the expiration of any collective bargaining agreement, whichever is later; provided, that no collective bargaining agreement shall be construed to be a bar to representation proceedings for a period of more than two years.

(c) The obligation of the district to bargain in good faith with a duly designated or certified labor organization and to execute a written collective bargaining agreement with such labor organization covering the wages, hours, and working conditions of the employees represented by such labor organization in an appropriate unit, and to comply with the terms thereof shall not be limited or restricted by the provisions of the Government Code or other laws or statutes and the obligation of the district to bargain collectively shall extend to all subjects of collective bargaining, including, without limitation, retroactive pay increases. Notwithstanding the provisions of the Government Code or other laws or statutes, the district shall make deductions from wages and salaries of its employees upon receipt of authorization

Provisions of LAMTA Act Most Closely Corresponding with  
Sections 30750-30756 of SCTRD Law (contd. from p. 139)

thereto. The expenses of arbitration shall be borne equally by the parties. Each party shall bear his own costs.

No contract or agreement shall be made with any labor organization, association, group, or individual, or be assumed under the provisions of this section, where such organization, association, group, or individual denies membership to or in any manner discriminates against any employee on the grounds of race, creed, color or sex; provided, that such organization may preclude from membership any individual who advocates the overthrow of the government by force or violence. The authority shall not discriminate in regard to employment against any person because of his race, creed, or color.

Sec. 3.6. (c) If there is a question whether a labor organization represents a majority of employees or whether the proposed unit is or is not appropriate, such matters shall be submitted to the State Conciliation Service for disposition. The State Conciliation Service shall promptly hold a public hearing after due notice to all interested parties and shall thereupon determine the unit or units appropriate for the purposes of collective bargaining. In making such determination and in establishing rules and regulations governing petitions, the conduct of hearings and elections, the State Conciliation Service shall be guided by the relevant federal law and administrative practice developed under the Labor Management Relations Act, 1947, as presently amended.

The State Conciliation Service shall provide for an election to determine the question of representation and shall certify the results to the parties. Any certification of a labor organization to represent or act for the employees in any collective bargaining unit shall not be subject to challenge on the grounds

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therefor for the payment of union dues, fees or assessments, for the payment of contributions pursuant to any health and welfare plan or pension plan or any other purpose for which deductions may be authorized by employees where such deductions are pursuant to a collective bargaining agreement with a duly designated or certified labor organization.

(d) In case of dispute over wages, hours, or working conditions which is not resolved by negotiations in good faith between the board and the representatives of the employees, upon the agreement of both the board and the representative of the employees said dispute may be submitted to the decision of the majority of an arbitration board, and the decision of a majority of such arbitration board shall be final and binding. The arbitration board shall be composed of two representatives of the district and two representatives of the labor organization, and they shall endeavor to agree upon the selection of a fifth member. If they are unable to agree, the names of five persons experienced in labor arbitration shall be obtained from the Supervisor of Conciliation of the Division of Conciliation, Department of Industrial Relations. The labor organization and the district shall, alternately, strike a name from the list so supplied, and the name remaining after the labor organization and the district have stricken four names, shall be designated as the arbitrator. The labor organization and the district shall determine by lot who shall first strike a name from the list. The decision of a majority of the arbitration board shall be final and binding upon the parties thereto. The expenses of such impartial arbitrator shall be provided half by the district and half by the labor organization.

(e) No contract or agreement shall be made with any labor organization, association, group or individual where such organization, association, group or individual denies membership on the grounds of race, creed or color; provided, such organization may preclude from membership any individual who advocates the overthrow of the government by force or violence.

The district shall not discriminate in regard to employment against any person because of his race, creed, or color.

30751. Any question which may arise with respect to whether a majority of the employees in an appropriate unit desire to be represented by a labor organization shall be submitted to the Director of the Department of Industrial Relations. In resolving such questions of representation including the determination of the appropriate unit or units, petitions, the conduct of hearings and elections, the director shall apply the relevant federal law and administrative practice developed under the Labor Management Relations Act, 1947, as amended, and for this purpose shall adopt



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that a new substantial question of representation within such collective bargaining unit exists until the lapse of one year from the date of certification of the expiration of any collective bargaining agreement, whichever is later; provided, that no collective bargaining agreement shall be construed to be a bar to representation proceedings for a period of more than two years.

Sec. 3.6. (d) Whenever the authority acquires existing facilities from a publicly or privately owned public utility, either in proceedings by eminent domain or otherwise, the authority shall assume and observe all existing labor contracts. To the extent necessary for operation of facilities, all of the employees of such acquired public utility whose duties pertain to the facilities acquired shall be appointed to comparable positions in the authority without examination, subject to all the rights and benefits of this act, and these employees shall be given sick leave, seniority, vacation and pension credits in accordance with the records and labor agreements of the acquired public utility. Members and beneficiaries of any pension or retirement system or other benefits established by that public utility shall continue to have the rights, privileges, benefits, obligations and status with respect to such established system. No employees of any acquired public utility shall suffer any worsening of his wages, seniority, pension, vacation or other benefit by reason of the acquisition.

The authority may extend the benefits of this section to the officers or supervisory employees of the acquired utility.

Sec. 3.6. (e) The authority shall not acquire any existing system or part thereof whether by purchase,

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appropriate rules and regulations. Said rules and regulations shall be administered by the State Conciliation Service and shall provide for a prompt public hearing and a secret ballot election to determine the question of representation.

30752. Whenever the district acquires existing facilities from a publicly or privately owned public utility, either in proceedings by eminent domain or otherwise, to the extent necessary for operation of facilities, all of the employees of such public utility whose duties pertain to the facilities acquired who have been employed by said utility for at least seventy-five (75) days shall be appointed to a comparable position in the district without examination and shall be governed thereafter by the personnel system adopted by the board, and these employees shall be given sick leave, seniority and vacation credits in accordance with the records of the acquired public utility.

The provisions of this section shall apply only to those officers or supervisory employees of the acquired utility as shall be designated by the board.

30753. (a) Whenever the district acquires existing facilities from a publicly or privately owned public utility, either in proceedings in eminent domain or otherwise, the district shall assume and observe all existing labor contracts, and to the extent necessary for operation of facilities acquired, all of the employees of such acquired public utility whose duties pertain to the facilities acquired, shall be appointed to comparable positions in the district without examination, subject to all the rights and benefits of this part, and these employees shall be given sick leave, seniority, pension and vacation credits in accordance with the records and labor agreements of the acquired public utility.

(b) Members and beneficiaries of any pension or retirement system or other benefits established by that public utility shall continue to have the rights, privileges, benefits, obligations and status with respect to such established system. No employee of any acquired public utility shall suffer any worsening of his wages, seniority, pension, vacation or other benefits by reason of the acquisition.

30754. The district shall not acquire any existing transit system or part thereof whether by purchase, lease, condemnation, or otherwise, or dispose of or lease any transit system or part thereof, or merge, consolidate or coordinate any transit system or part thereof, or substitute any type of equipment on any system or part thereof for the then existing equipment or terminate any lease arrangement or management contract, or reduce or limit the lines or service of any existing system or of its system unless it shall first have made adequate provision for the district's employees who are or may be displaced, or whose wages, hours, place or con-



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Sections 30750-30756 of SCRTD Law (contd. from p. 143)

lease, condemnation, or otherwise, nor shall the authority dispose of or lease any transit system or part thereof, nor merge, consolidate or coordinate any transit system or part thereof, nor substitute any type of equipment on any system or part thereof for the then existing equipment, or reduce or limit the lines or service of any existing system or of its system unless it shall first have made adequate provision for any employees who are or may be displaced, or whose wages, hours, place, or conditions of employment are or may be adversely affected. The terms and conditions of such provision shall be a proper subject of collective bargaining with the labor organizations that represent such employees. In the event that at the time the authority acquires a system or part thereof, and former or furloughed employees of such system are at that time entitled to protection under a collective bargaining agreement or an order of the Public Utilities Commission or other public agency, the authority shall provide for the continuation of such protection for the period of the agreement or order.

Sec. 3.6. (f) Notwithstanding the provisions of the Government Code, employees of the authority may authorize and, upon such authorization, the authority may make deductions from wages and salaries of such employees:

(1) Pursuant to a collective bargaining agreement with a duly designated or certified labor organization for the payment of union dues, fees, or assessments.

(2) For the payment of contributions pursuant to any health and welfare plan or pension or retirement plan.

(3) For any purpose for which deductions may be authorized by employees of any private employer.

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ditions of employment are or may be adversely affected. The terms and conditions of such provisions shall be a proper subject of collective bargaining with the labor organizations that represent such employees. In the event the parties are unable to agree upon such provisions the dispute shall be submitted to arbitration. The arbitrator shall be selected according to procedures established by subdivision (d) of Section 30750. The decision of the arbitrator shall be final and binding on the parties. In the event that at the time the district acquires a system or part thereof, and former or furloughed employees of such system are at that time entitled to protection under a collective bargaining agreement or an order of the Public Utilities Commission or other public agency, the district shall provide for the continuation of such protection for the period of the agreement or order.

30755. Employees shall have the right to self-organization, to form, join, or assist labor organizations, to bargain collectively through representatives of their own choosing, and to engage in other concerted activities for the purpose of collective bargaining or other mutual aid or protection.

30756. (a) In the event the board and the representatives of the employees do not agree to submit a dispute over the terms and conditions of a collective bargaining agreement to arbitration as provided in subdivision (d) of Section 30750, the State Conciliation Service may be notified by either party that a dispute exists and that there is no agreement to arbitrate.

(b) Following such notification the State Conciliation Service shall determine whether or not the dispute may be resolved by the parties and, if not, the issues concerning which the dispute exists.

(c) Upon such determination the service shall certify its findings to the Governor of the State of California.

(d) The Governor shall, within 10 days of receipt of certification appoint a Fact Finding Commission consisting of three persons.

(e) The commission shall immediately convene and inquire into and investigate the issues in the dispute.

The commission shall have authority to issue subpoenas for the attendance of witnesses and subpoenas duces tecum for the production of books, documents and other records. Subpoenas shall be serviced and enforced in accordance with Chapter 2 (commencing with Section 1985) of Title 3, Part 4, of the Code of Civil Procedure.

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Sections 30750-30756 of SCRTD Law (contd. from p. 145)

Sec. 3.6. (g) The obligation of the authority to bargain in good faith with a duly designated or certified labor organization and to execute a written collective bargaining agreement with such labor organization covering the wages, hours and working conditions of the employees represented by such labor organization in an appropriate unit, and to comply with the terms thereof shall not be limited or restricted by the provisions of the Government Code or other laws or statutes and the obligation of the authority to bargain collectively shall extend to all subjects of collective bargaining, including without limitation retroactive pay increases, which are or may be proper subjects of collective bargaining with a private employer. Notwithstanding the provisions of the Government Code or other laws or statutes, the authority shall make deductions from wages and salaries of its employees upon receipt of authorization therefor for the payment of union dues, fees or assessments, for the payment of contributions pursuant to any health and welfare plan or pension plan or for any other purpose for which deductions may be authorized by employees of any private employer, where such deductions are pursuant to a collective bargaining agreement with a duly designated or certified labor organization.

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Said commission shall report to the Governor within 30 days of the date of its creation.

(f) After the creation of such commission and for 30 days after such commission has made its report to the Governor, no change, except by mutual agreement, shall be made by the parties to the controversy in the conditions out of which the dispute arose, and service to the public shall be provided.

Provisions of LAMTA Act Most Closely Corresponding  
with Sections 30800-30812 of SCRTD Law

Sec. 4.19. The authority shall not have power to  
levy taxes for any purpose whatsoever.



## CHAPTER 6. TAXATION

30800. The board may provide for the levy and collection of taxes by the district.

30801. On or before August 15th of each year, the auditor of each county wherein such district or any part thereof shall lie shall prepare and deliver to the auditor of the district a certificate showing the assessed valuation of all taxable property within the district and within each improvement district thereof lying in the county.

30802. To the extent possible and subject to the priorities set forth in Section 30638, the principal of, interest on, and sinking fund payments for general obligation bonds of the district, including the establishment and maintenance of any reserve fund therefor, shall be paid from the revenues of the district. If from any cause the revenues of the district are or are expected to be inadequate in any year to pay the principal of, interest on, or sinking fund payments for general obligation bonds of the district as the same become due, or to establish or maintain any reserve fund therefor, the board shall, at the same time as the board of supervisors are required by law to fix the general tax levy and in the manner provided for such general tax levy, levy for district purposes and collect upon all property in the district taxable for county purposes a tax sufficient, together with revenues already collected and available therefor, to pay the interest on the bonds as the same will become due and such part of the principal thereof, including any sinking fund installments required by any of the district's agreements with its general obligation bondholders, as will come due before the proceeds of a tax levied at the next general tax levy will be available for such purpose, and sufficient to provide or to restore such reserve fund to the amount required by any of the district's agreements with its general obligation bondholders.

30803. To the extent provided in the proceedings authorizing the issuance of bonds of the district for an improvement district therein and subject to the priorities set forth in Section 30638 and subject to prior use for general obligation bonds, the principal of, interest on and sinking fund payments for bonds for each improvement district, including the establishment and maintenance of any reserve fund therefor, shall be paid from the revenues of the district or from the portion thereof which the board allocates for such purposes. If from any cause the revenues

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Sections 30800-30812 of SCRTD Law (contd. from p. 149)

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of the district, or the portion allocated for such purpose, are or are expected to be inadequate in any year to pay the principal of, interest on or sinking fund payments for such bonds for any improvement district, as the same become due, or to establish and maintain any reserve fund therefor, the board shall, at the time of fixing the general tax levy and in the manner provided for the general tax levy, levy and collect a tax within the improvement district involved sufficient, together with revenues already collected and available therefor, to pay the interest on the bonds for such improvement district as the same will become due and such part of the principal thereof, including any sinking fund installments required by any of the district's agreements with the bondholders of such bonds for such improvement district, as will become due before the proceeds of a tax levied at the next general tax levy will be available for such purpose, and sufficient to provide or to restore such reserve fund to the amount required by any of the district's agreements with its bondholders of such bonds for such improvement district.

30804. Taxes required to be levied and collected on account of interest, principal, sinking fund and reserve fund of general obligation bonds of the district, or bonds for improvement districts therein, shall be used for no other purpose than the payment of the bonds, premiums, if any, on the mandatory call of any of said bonds, and accruing interest, and except for taxes levied pursuant to Section 31401, shall be the only taxes levied by the district unless additional taxes are authorized pursuant to Section 30806.

30806. The taxes required to be levied for general obligation bonds of the district and bonds for improvement districts therein under Sections 30802, 30803 and 30804 and to pay principal of and interest on notes, if any, issued for temporary borrowing pursuant to Article 4 (commencing with Section 30950) of Chapter 7 of this part, shall be levied; and no taxes of any kind or nature whatever shall be levied to pay operating expenses of the district and/or to provide for repairs, maintenance and depreciation of works owned or operated by the district; and no taxes shall be levied for other district purposes unless the board shall have authorized the same by ordinance adopted by a vote of two-thirds of all members of the board and such ordinance shall be approved by a majority of the qualified electors of the district voting at an election called for that purpose. The board in such ordinance shall provide the maximum tax rate or rates for such other district purposes, specified in such ordinance, and may provide for limitations upon the time or times which such additionally authorized taxes shall be in effect. Any maximum tax

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rate adopted pursuant to this section may be increased when authorized by the board by ordinance adopted in the manner and by the vote hereinbefore stated in this section and approved by a majority of the qualified electors of the district voting at an election called for that purpose.

30807. The valuation of the taxable property in the district upon which taxes shall be levied shall be that fixed by the last equalized assessment roll of each county in which the district or any portion thereof lies.

30808. The board shall, on or before the first weekday in September, or if such weekday falls upon a holiday then on the first business day thereafter, fix the rate of taxes, designating the number of cents upon each hundred dollars, using as a basis the value of property transmitted to the board by the county auditors, which rate of taxation shall be sufficient to raise the amount previously fixed by the board.

30809. If in the determination of any tax rate a fraction of a cent occurs, the board shall adopt a rate ending in the next higher tenth of one cent (\$0.001). An excess over the amount specified in the budget, arising from the use of the tenth-of-one-cent tax rate, is not a violation of this chapter. Any cash collected resulting from such excess or from an excess resulting from any other cause shall not invalidate the levies but shall be applied in the next succeeding budget year as available surplus unless its expenditure is otherwise authorized by law.

30810. The board shall immediately after fixing the rate of taxes as above provided transmit to the county auditors of the counties in which the district is situated a statement of the rate of taxes fixed by the board.

30811. The district taxes so levied shall be computed and collected at the same time and in the same manner required by law for the assessment, computation and collection of taxes for county purposes, and the property subject to such tax shall be subject to the same penalties for delinquencies, and the same provisions of law relating to the sale of property for non-payment of county taxes and redemption thereof shall apply to the tax herein authorized. When so collected such taxes shall be paid over to the treasurer of the district, subject to the deduction authorized by Section 30812.

The district may adopt the alternative procedure of tax collection and appropriation established by Chapter 3 (commencing with



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Sections 30800-30812 of SCRTD Law (contd. from p. 153)

[Refer to page 149.]

Section 4701), Part 8, Division 1, of the Revenue and Taxation Code and any amendments thereof; provided, however, that the district may thereafter abandon said alternative procedure effective at the end of any fiscal year of the district.

30812. The compensation to be charged by and paid to any county for the performance of services under this chapter shall be fixed by agreement between the board of supervisors of the county and the board. The compensation shall in no event exceed one-half of 1 percent of all money collected for the district. The compensation collected by the county shall be placed to the credit of the county salary fund.

Provisions of LAMTA Act Most Closely Corresponding  
with Sections 30900-30980 of SCRTD Law

Revenue Bonds

Sec. 5.1. The authority may issue revenue bonds for the acquisition, construction or completion of the system or any part thereof, and such revenue bond issue may also include payment for the incidental expenses (legal, engineering, fiscal and other) connected with issuing and disposing of the bonds and an amount for financing or the creation of an operating fund and all incidental expenses connected with the acquisition, construction or completion of the system or any part thereof or for reimbursement of advances to or by the authority for such purposes or for working capital. The total amount of revenue bonds that may be issued by the authority shall not be limited as to aggregate principal amount, except as the authority may provide in any resolutions or indenture relating to the issue of any revenue bonds hereunder.

Sec. 5.2. The purpose, nature and extent of each separate improvement comprising a part of the system shall be described in general terms prior to the issuance of any bonds.

Sec. 5.3. The validity of the authorization and issuance of any revenue bonds by the authority is not dependent on nor affected in any way except to the extent included in the bond indentures by:

(a) Proceedings taken by the authority for the acquisition, construction or completion of the system or any part thereof.

(b) Any contracts made by the authority in connection with the acquisition, construction or completion of the system or any part thereof.

(c) The failure to complete any part of the system for which bonds are authorized to be issued.

Sec. 5.4. The authority shall issue revenue bonds in its name. These bonds shall constitute obligations of the authority only, and neither the payment of the principal or interest of any such bond constitutes a debt, liability or

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CHAPTER 7. BONDS AND OTHER EVIDENCES  
OF INDEBTEDNESS

Article 1. Authorization and Issuance  
of General Obligation Bonds

30900. Whenever the board deems it necessary for the district to incur a general obligation bonded indebtedness for the acquisition, construction, completion or repair of any or all improvements, works, property or facilities, authorized by this part or necessary or convenient for the carrying out of the powers of the district, or for any other purpose authorized by this part, including, without limitation, the refunding referred to in Chapter 8 (commencing with Section 31000) of this part, it shall, by ordinance, adopted by a vote of two-thirds of all members of the board, so declare and call an election to be held in said district for the purpose of submitting to the qualified voters thereof the proposition of incurring indebtedness by the issuance of general obligation bonds of said district. Said ordinance shall state:

(a) The purposes for which the proposed debt is to be incurred, which may include all costs and estimated costs incidental to or connected with the accomplishment of such purposes, including, without limitation, engineering, inspection, legal fiscal agents, financial consultant and other fees, bond and other reserve funds, working capital, bond interest estimated to accrue during the construction period and for a period not to exceed three years thereafter, and expenses of all proceedings for the authorization, issuance and sale of the bonds.

(b) The estimated cost of accomplishing said purposes.

(c) The amount of the principal of the indebtedness.

(d) The maximum term the bonds proposed to be issued shall run before maturity, which shall not exceed 50 years from the date thereof or the date of each series thereof.

(e) The maximum rate of interest to be paid, which shall not exceed 6 percent per annum.

(f) The proposition to be submitted to the voters, which may include one or more purposes.

Provisions of LAMTA Act Most Closely Corresponding with  
Sections 30900-30980 of SCRTD Law (contd. from p. 157)

obligation of any county or city or the State of California. All bonds issued by the authority shall contain a recital on their face that neither the payment of the principal or any part thereof nor any interest thereon constitutes a debt, liability or obligation of any county or city or the State. Any bonds which shall be issued under the provisions of this act shall be legal investments for all trust funds; for the funds of insurance companies; banks -- both commercial and savings -- and trust companies; and for state school funds; and whenever any money or funds may, by any law now or hereafter enacted, be invested in bonds of cities, cities and counties, counties, school districts, or irrigation districts within the State of California, such money or funds may be invested in the bonds issued under this act, and whenever bonds of cities, cities and counties, counties, school districts, or irrigation districts within this State may, by any law now or hereafter enacted, be used as security for the performance of any act or the deposit of any public moneys, the said bonds issued under this act may be so used. The provisions of this act shall be in addition to all other laws relating to legal investments and shall be controlling as the latest expression of the Legislature with respect thereto.

Sec. 5.5. The authority shall determine the time, form and manner of the issuance of revenue bonds.

Sec. 5.6. The authority may enter into indentures providing for the aggregate principal amount, date, or dates, maturities, interest rate, denominations, form, registration transfer and interchange of such bonds and coupons, and the terms and conditions upon which the same shall be executed, issued, secured, sold, paid, redeemed, funded and refunded. Reference on the face of the bonds to such indenture by its date of adoption, or the apparent date on the face thereof, is sufficient to incorporate all of the provisions thereof and of this act into the body of the bonds and their appurtenant coupons. Each taker and subsequent holder of the bonds or coupons, whether the coupons are attached to or detached from the bonds, has recourse to all of the provisions of the indenture and of this act, and is bound thereby.

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(g) The date of the election.

(h) The manner of holding the election and the procedure for voting for or against the measure.

30901. Notice of the holding of such election shall be given by publishing, pursuant to Section 6066 of the Government Code, the ordinance calling the election in at least one newspaper published in such district. No other notice of such election need be given. Except as otherwise provided in the ordinance, the election shall be conducted as other district elections.

30902. If any proposition is defeated by the electors, the board shall not call another election on a substantially similar proposition to be held within six months after the prior election. If a petition requesting submission of such a proposition, signed by 15 percent of the district electors, as shown by the votes cast for all candidates for governor at the last gubernatorial election, is filed with the board, it may call an election before the expiration of six months.

30903. If 60 percent of the electors voting on the proposition vote for it, then the board may, by resolution, at such time or times as it deems proper, issue bonds of the district for the whole or any part of the amount of the indebtedness so authorized and may from time to time, by resolution, provide for the issuance of such amounts as the necessity thereof may appear, until the full amount of such bonds authorized shall have been issued. Said full amount of bonds may be divided into two or more series and different dates and different dates of payment fixed for the bonds of each series. A bond need not mature on an anniversary of its date. The maximum term the bonds of any series shall run before maturity shall not exceed 50 years from the date of each series respectively. In such resolution or resolutions the board shall prescribe the form of the bonds (including, without limitation, registered bonds and coupon bonds) and the form of any coupons to be attached thereto, the registration, conversion and exchange privileges, if any, pertaining thereto, and fix the time when the whole or any part of the principal shall become due and payable.

30904. The bonds shall bear interest at a rate or rates not exceeding 6 percent per annum, payable semiannually, except that the first interest payable on the bonds or any series thereof may be for any period not exceeding one year as determined by the board. In the resolution or resolutions providing for

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Sections 30900-30980 of SCRTD Law (contd. from p. 159)

Sec. 5.7. An indenture pursuant to which bonds are issued may include such covenants and agreements on the part of the authority as the authority deems necessary or advisable for the better security of the bonds issued thereunder.

Sec. 5.8. An indenture may include a clause relating to the bonds issued thereunder requiring the authority to pay or cause to be paid punctually the principal of all such bonds and the interest thereon on the date or dates, at the place or places, and in the manner mentioned in such bonds and in the coupons appertaining thereto in accordance with such indenture.

Sec. 5.9. An indenture may include a clause relating to the bonds issued thereunder requiring the authority to continuously operate the system acquired, constructed, or completed, in whole or in part, from the proceeds of the bonds in an efficient and economical manner.

Sec. 5.10. An indenture may include a clause relating to the bonds issued thereunder requiring the authority to make all needful and necessary repairs, renewals and replacements to the system and to keep it at all times in good repair, working order and condition.

Sec. 5.11. An indenture may include a clause relating to the bonds issued hereunder requiring the authority to preserve and protect the security of the bonds and the rights of the holders thereof and to warrant and defend such rights.

Sec. 5.12. An indenture may include a clause relating to the bonds issued thereunder requiring the authority to pay and discharge or cause to be paid and discharged all lawful claims for labor, materials and supplies or other charges which, if unpaid, might become a lien or charge upon the revenues, or any part thereof, or any improvements acquired, constructed or completed from the proceeds of the sale of the bonds, or upon any physical properties, or which might impair the security of the bonds.

Sec. 5.13. An indenture may include a clause relating to the bonds issued thereunder which limits, restricts, or

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the issuance of such bonds the board may also provide for call and redemption of such bonds prior to maturity at such times and prices and upon such other terms as it may specify, provided that no bond shall be subject to call or redemption prior to maturity unless it contains a recital to that effect or unless a statement to that effect is printed thereon. The denomination or denominations of the bonds shall be stated in the resolution providing for their issuance, but shall not be less than one thousand dollars (\$1,000). The principal of and interest on such bonds shall be payable in lawful money of the United States at the office of the treasurer of the district or at such other place or places as may be designated, or at either place or places at the option of the holders of the bonds. The bonds shall be dated, numbered consecutively and shall be signed by the president and treasurer, countersigned by the secretary and the official seal of the district attached. The interest coupons of such bonds shall be signed by the treasurer. All such signatures, countersignatures and seal may be printed, lithographed or mechanically reproduced, except that one of such signatures or countersignatures on the bonds shall be manually affixed. If any officer whose signature or countersignature appears on bonds or coupons ceases to be such officer before the delivery of the bonds, his signature is as effective as if he had remained in office.

30905. The bonds may be sold as the board determines by resolution but for not less than par. Before selling the bonds, or any part thereof, the board shall give notice inviting sealed bids in such manner as it may prescribe. If satisfactory bids are received the bonds offered for sale shall be awarded to the highest responsible bidder. If no bids are received or if the board determines that the bids received are not satisfactory as to price or responsibility of the bidders the board may reject all bids received, if any, and either readvertise or sell the bonds at private sale.

30906. Delivery of any bonds may be made at any place either inside or outside the State, and the purchase price may be received in cash or bank credits.

30907. All accrued interest and premiums received on the sale of bonds shall be placed in the fund to be used for the payment of principal of and interest on the bonds and the remainder of the proceeds of the bonds shall be placed in the treasury to the credit of the proper improvement fund and



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Sections 30900-30980 of SCRTD Law (contd. from p. 161)

prohibits any right, power or privilege of the authority to mortgage or otherwise encumber, sell, lease or dispose of any part of the system acquired in whole or in part in exchange for the issuance of the bonds or constructed from the proceeds of the bonds, or to enter into any lease or agreement which impairs or impedes the operation of the system, or any part thereof, necessary to secure adequate revenues or which otherwise impairs or impedes the rights of the holders of the bonds with respect to such revenues.

Sec. 5.14. An indenture may include a clause relating to the bonds issued thereunder requiring the authority to fix, prescribe and collect rates, fares, tolls, rentals or other charges in connection with the services and facilities furnished from the system or any part thereof, acquired, constructed or purchased from part or all of the proceeds of the bonds, at least sufficient to pay the principal of and interest on the bonds as they become due and payable, together with all expenses of operation, maintenance and repair of the system, and with such additional sums as may be required for any sinking fund, reserve fund, or other special fund provided for the further security of such bonds or as a depreciation charge or other charge in connection with such improvement.

5.15. An indenture may include a clause relating to the bonds issued thereunder requiring the authority to hold in trust the revenues pledged to the payment of such bonds and the interest thereon, or to any reserve or other fund created for the further protection of the bonds, and to apply such revenues or cause them to be applied only as provided in the indenture.

5.16. An indenture may include a clause limiting the power of the authority to apply the proceeds of the sale of any issue of bonds for the acquiring, constructing or completing of the system or any part thereof.

Sec. 5.17. An indenture may include a clause limiting the power of the authority to issue additional bonds for the purpose of acquiring, constructing or completing the system or any part thereof.

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applied exclusively to the purposes for which the debt was incurred; provided, however, that when said purposes have been accomplished any moneys remaining in such improvement fund (a) shall be transferred to the fund to be used for the payment of principal of and interest on the bonds, or (b) shall be placed in a fund to be used for the purchase of outstanding bonds of the district from time to time in the open market at such prices and in such manner, either at public or private sale or otherwise, as the board may determine. Bonds so purchased shall be canceled immediately.

30908. After the expiration of three years after a general obligation bond election the board may determine, by ordinance adopted by a vote of two-thirds of all the members of the board, that any or all of the bonds authorized at said election remaining unsold shall not be issued or sold. When the ordinance takes effect, the authorization to issue said bonds shall become void.

30909. Whenever the board deems that the expenditure of money for the purposes for which the bonds were authorized by the voters is impractical or unwise, it may, by ordinance adopted by a vote of two-thirds of all members of the board, so declare and call an election to be held in the district for the purpose of submitting to the qualified voters thereof the proposition of incurring indebtedness by the issuance of such bonds for some other purposes or, in the case where bonds have been sold, the proposition to use the proceeds for some other purposes. The procedure, so far as applicable, shall be the same as when a bond proposition is originally submitted.

30910. The board may provide for the issuance, sale or exchange of refunding bonds to redeem or retire any bonds issued by the district upon the terms, at the times and in the manner which it determines. Refunding bonds may be issued in a principal amount sufficient to pay all or any part of the principal of such outstanding bonds, the interest thereon and the premiums, if any, due upon call and redemption thereof prior to maturity and all expenses of such refunding. The provisions of this article for issuance and sale of bonds apply to the issuance and sale of such refunding bonds; except that (i) no election need be called or held for the purpose of authorizing the issuance of refunding bonds, and (ii) when refunding bonds are to be exchanged for outstanding bonds the method of exchange shall be as determined by the board.

30912. The provisions of Article 4 (commencing with Section 53500), Chapter 3, Part 1, Division 2, Title 5 of the Gov-



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Sec. 5.18. An indenture may include a clause requiring, specifying or limiting the kind, amount and character of insurance to be maintained by the authority on the system, or any part thereof, and the use and disposition of the proceeds of any such insurance thereafter collected. Such insurance may include fire, casualty, fidelity, public liability, property damage, or any other type or kind of insurance deemed desirable by the authority.

Sec. 5.19. An indenture may include a clause providing the events of default and the terms and conditions upon which any or all of the bonds of the authority, then or thereafter issued, may become or be declared due and payable prior to maturity, and the terms and conditions upon which such declaration and its consequences may be waived.

Sec. 5.20. An indenture may include a clause designating the rights, limitations, power and duties arising upon breach by the authority of any of the covenants, conditions or obligations contained in any indenture.

Sec. 5.21. An indenture may include a clause prescribing a procedure by which the terms and conditions of the indenture may be subsequently amended or modified with the consent of the authority and the vote or written assent of the holders of a specified principal amount of the bonds issued and outstanding. Such clause may provide for meetings of bondholders and for the manner in which the consent of the bondholders may be given. The clause shall specifically state the effect of such amendment or modification upon the rights of the holders of all of the bonds and interest coupons appertaining thereto, whether attached thereto or detached therefrom.

With respect to any clause providing for the modification or amendment of an indenture, the authority may agree that bonds held by the authority, by any department or agency of the State of California, or by any public corporation, shall not be counted as outstanding bonds, or be entitled to vote or assent, but shall, nevertheless, be subject to any such modification or amendment.

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ernment Code are applicable to the district.

30913. Any bonds which shall be issued under the provisions of this article shall be legal investment for all trust funds; for the funds of insurance companies, banks--both commercial and savings--and trust companies; and for state school funds; and whenever any money or funds may, by any law now or hereafter enacted, be invested in bonds of cities, cities and counties, counties, school districts, or other districts within the State of California, such money or funds may be invested in the bonds issued under this part, and whenever bonds of cities, cities and counties, counties, school districts, or other districts within this State may, by any law now or hereafter enacted, be used as security for the performance of any act or the deposit of any public moneys, the said bonds issued under this part may be so used. The provisions of this article shall be in addition to all other laws relating to legal investments and shall be controlling as the latest expression of the Legislature with respect thereto.

## Article 2. Revenue Bonds

30930. Whenever the board deems it necessary for the district to incur a revenue bonded indebtedness for the acquisition, construction, completion or repair of any or all improvements, works, property or facilities authorized by this part or necessary or convenient for the carrying out of the powers of the district, or for any other purpose authorized by this part, including, without limitation, the refunding referred to in Chapter 8 (commencing with Section 31000) of this part, the board shall provide for the issuance of such revenue bonds in accordance with the provisions of the Revenue Bond Law of 1941, as the same now exists or may hereafter be amended; except that: (a) if the board provides for the issuance of such revenue bonds by ordinance adopted by a vote of two-thirds of all the members of the board, which ordinance shall be subject to referendum, and (b) no election is required by Section 30932, no election need be called or held for the purpose of authorizing the issuance of revenue bonds.

Revenue bonds may include one or more purposes; and the purposes for which revenue bonds may be issued may include, without limitation, all costs and estimated costs incidental to or connected with the accomplishment of such purpose, or purposes, including, without limitation, engineering, inspection, legal, fiscal agents, financial consultant and other fees, bond and other reserve funds, working capital, bond interest estimated to accrue during the construction period and for a period not to

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Sec. 5.22. An indenture may include a clause providing for such other acts and matters as may be necessary or convenient or desirable in order to secure the bonds or to make the bonds more marketable.

Sec. 5.23. The authority may designate a bank or trust company, qualified to do business in this State, as a trustee for the authority and the holders of bonds issued hereunder, and may authorize the trustee to act on behalf of the holders of the bonds, or any stated percentage thereof, and to exercise and prosecute on behalf of the holders of the bonds such rights and remedies as may be available to the holders.

Sec. 5.24. The authority shall fix and determine the conditions upon which any trustee shall receive, hold or disburse any or all revenues collected for or on account of the authority. The authority shall prescribe the duties and powers of such trustee with respect to the issuance, authentication, sale and delivery of the bonds and the payment of principal and interest thereof, the redemption of the bonds, the registration and discharge from registration of the bonds, and the management of any sinking fund or other funds provided as security for the bonds.

Sec. 5.25. The authority may issue bonds in series or may divide any issue into one or more divisions and fix different maturities or dates of such bonds, different rates of interest, or prescribe different terms and conditions for the bonds of the several series or divisions. It is not necessary that all bonds of the same authorized issue be of the same kind or character, have the same security, or be of the same interest rate, but the terms thereof shall in each case be provided for by the authority, at or prior to the issue thereof. The authority may provide for successive issues or may provide for one maximum issue.

Sec. 5.26. Bonds may be issued as coupon bonds or as registered bonds. The authority may provide for the interchange of coupon bonds for registered bonds

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exceed three years thereafter, and expenses of all proceedings for the authorization, issuance and sale of the bonds.

30931. The district is hereby declared to be a local agency within the meaning of the Revenue Bond Law of 1941. The term "enterprise" as used in the Revenue Bond Law of 1941 shall for all purposes of this part include any or all improvements, works, property or facilities, authorized by this part or necessary or convenient for the carrying out of the powers of the district.

30932. Revenue bonds issued under the provisions of this Article 2 shall be subject to the priorities set forth in Section 30638. Revenue bonds shall have a priority as to the use of revenues superior to that of any bonds for improvement districts issued under Article 5 of this chapter. Revenue bonds having a priority as to the use of revenues superior to that of any general obligation bonds issued under Article 1 of this chapter may be issued if the proposition for the issuance of such revenue bonds with such priority shall have been submitted by the board by the same vote required under Article 1 and approved by the electors by the same vote required under Article 1.

### Article 3. Equipment Trust Certificates

30940. The district shall have power to purchase equipment such as cars, trolley buses and motorbuses, rolling equipment, and may execute agreements, leases and equipment trust certificates in the forms customarily used by private corporations engaged in the rapid transit business appropriate to effect such purchase and leasing of rolling equipment and may dispose of such equipment trust certificates upon such terms and conditions as the board may deem appropriate. All money required to be paid by the district under the provisions of such agreements, leases and equipment trust certificates shall be payable solely from the revenue or income to be derived from the transportation system and from grants or loans, or both, as provided in Sections 30701, 30702, and 30703 of this part. Payment for such equipment, or rentals therefor, may be made in installments, and the deferred installments may be evidenced by equipment trust certificates payable solely from such revenue, income, grants, or loans, and title to such equipment shall not vest in the district until the equipment trust certificates are paid.

30941. The agreement to purchase or lease may direct the vendor or lessor to sell and assign or lease the rolling equipment to a bank or trust company duly authorized to transact business

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and registered bonds for coupon bonds, and may provide that the bonds shall be registered as to principal only, or as to both principal and interest, or otherwise as the authority may determine.

Sec. 5.27. Bonds shall bear interest at a rate of not to exceed six (6) percent per annum, payable annually or semiannually or in part annually and part semiannually. Prior to the issuance of bonds the authority may fix limitations or restrictions on the payment of interest.

Sec. 5.28. Bonds may be callable upon such terms, conditions, and upon such notice as the authority may determine, and upon the payment of the premium fixed by the authority in the proceedings for the issuance of the bonds. No bond is subject to call or redemption prior to its fixed maturity date unless the right to exercise such call is expressly stated on the face of the bond.

Sec. 5.29. The authority may provide for the payment of the principal and interest of bonds at any place within or without the State of California, and in specified coin or currency of the United States of America.

Sec. 5.30. The authority may provide for the execution and authentication of bonds by the manual, lithographed or printed facsimile signature of officers of the authority, and by additional authentication by a trustee or fiscal agent appointed by the authority. If any of the officers whose signatures or countersignatures appear upon the bonds or coupons cease to be officers before the delivery of the bonds or coupons, their signatures or countersignatures are nevertheless valid and of the same force and effect as if the officers had remained in office until the delivery of the bonds and coupons.

Sec. 5.31. Bonds shall bear dates prescribed by the authority. Bonds may be serial bonds or sinking fund bonds with such maturities as the authority may determine. No bond by its terms shall mature in more than 50 years

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in the State of California as trustee, lessor or vendor for the benefit and security of the equipment trust certificates and may direct such trustee to deliver the rolling equipment to one or more designated officers of the district and may authorize the district to simultaneously therewith execute and deliver an installment purchase agreement or a lease of the equipment to the district.

30942. The agreements and leases shall be duly acknowledged before some person authorized by law to take acknowledgments of deeds and in the form required for acknowledgment of deeds and such agreements, leases, and equipment trust certificates shall be authorized by resolution of the district and shall contain such covenants, conditions and provisions which may be deemed necessary or appropriate to insure the payment of the equipment trust certificates from such revenue, income, grants or loans.

30943. The covenants, conditions and provisions of the agreements, leases, and equipment trust certificates shall not conflict with any of the provisions of any agreement securing the payment of bonds, notes or certificates of the district.

30944. An executed copy of each such agreement and lease shall be filed in the office of the Secretary of State, who will be entitled to receive one dollar (\$1) for each such copy filed with him and which filing shall constitute notice to any subsequent judgment creditor or any subsequent purchaser. Each vehicle so purchased or leased shall have the name of the owner or lessor plainly marked on both sides thereof followed by the appropriate words "owner and lessor" or "owner and vendor," as the case may be.

#### Article 4. Temporary Borrowing

30950. The district may borrow money by issuance of negotiable promissory notes:

(a) To provide funds for the expenses of formulating a rapid transit program in an amount not exceeding seven hundred fifty thousand dollars (\$750,000); and

(b) To provide any or all sums required to be paid in connection with the calling or conducting of any bond election or elections authorized under Article 1 (commencing with Section 30900), under Article 2 (commencing with Section 30930) or under

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from its own date and in the event any authorized issue is divided into two or more series or divisions, the maximum maturity date herein authorized shall be calculated from the date on the face of each bond separately, irrespective of the fact that different dates may be prescribed for the bonds of each separate series or division of any authorized issue.

Sec. 5.32. The authority may fix terms and conditions for the sale or other disposition of any authorized issue of bonds. The authority may sell bonds at less than their par or face value in a negotiated or bid sale; provided that the maximum net interest cost to the authority of bonds sold at less than their par or face value shall not exceed an average of six (6) percent a year, computed on a 360-day year basis, payable semiannually from the date of said bonds to the respective maturity dates thereof. If any such bonds are to be issued and sold at public sale they shall be sold on sealed proposals to the highest bidder, including a fiscal agent or adviser or other agent referred to in Section 3.6(a) of this act, either bidding alone or in conjunction with others, after advertising for bids by publication of notice of sale once, not less than ten (10) days prior to the date of sale, in a newspaper of general circulation printed and published in the County of Los Angeles. The authority may reject any and all bids submitted and may thereafter sell the bonds so advertised for sale at private sale to any financially responsible bidder, including a fiscal agent or adviser or other agent referred to in Section 3.6(a) of this act, either bidding alone or in conjunction with others, under such terms and conditions as it deems most advantageous to its own interests, but the bonds shall not be sold at a price below that of the highest bid which was rejected. The authority may contract loans and borrow money through the sale of bonds to the United States of America or any of its departments or agencies, upon such terms and conditions as may be agreed to and such bonds shall be subject to all other provisions of this act.

Sec. 5.33. The authority may provide for the security of bonds. The authority may also provide for the payment of bonds out of any appropriations or other funds

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Article 5 (commencing with Section 30960) of Chapter 7 of this part.

Negotiable promissory notes issued pursuant to this section shall mature in not exceeding five years from their respective dates and shall bear interest at a rate or rates not exceeding 6 percent per annum, payable as provided therein.

The negotiable promissory notes shall contain such terms and provisions as the board shall specify in the resolution providing for the issuance thereof and shall be sold pursuant to Section 30905. The negotiable promissory notes shall be signed in the same manner as general obligation bonds of the district.

Taxes for the payment of all negotiable promissory notes issued under this section shall be levied, collected, paid to the district and used in the same manner as provided for general obligation bonds of the district.

#### Article 5. Improvement Districts

30960. Whenever the board deems it necessary for the district to incur a bonded indebtedness for the acquisition, construction, completion or repair of any or all improvements, works, property or facilities authorized by this part or necessary or convenient for carrying out the powers of the district, or for any other purpose authorized by this part and to provide for such bonded indebtedness to be payable from taxes levied upon less than all of the district, it shall, by resolution adopted by a vote of two-thirds of all members of the board so declare and state:

(a) The purposes for which the proposed debt is to be incurred, which may include all costs and estimated costs incidental to or connected with the accomplishment of such purposes, including, without limitation, engineering, inspection, legal, fiscal agents, financial consultant and other fees, bond and other reserve funds, working capital, bond interest estimated to accrue during the construction period and for a period not to exceed three (3) years thereafter, and expenses of all proceedings for the authorization, issuance and sale of the bonds;

(b) The estimated cost of accomplishing said purposes and the amount of the principal of the indebtedness to be incurred;

(c) That the board intends to form an improvement district of a portion of the district which in the opinion of the



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contributed to the authority by the State of California, the United States of America, or by any department or agency of either thereof. However, nothing in this act shall obligate the State of California to make any appropriation for that purpose.

Sec. 5.34. Interest on bonds may be paid out of the proceeds of the sale of the bonds during the actual construction of the system or any part thereof for the acquisition, construction or completion of which the bonds have been issued, and for a period of not to exceed two (2) years thereafter as provided for in the indenture.

Sec. 5.35. The authority may provide in the proceedings for the issuance of bonds that the bonds and the interest thereon constitute such lien upon the revenues of the system or any part thereof acquired, constructed or completed from the proceeds of such bonds as may be provided for in the indenture.

Sec. 5.36. Pending the actual issuance or delivery of revenue bonds, the authority may issue temporary or interim bonds, certificates or receipts of any denominations whatsoever, and with or without coupons, to be exchanged for definitive bonds when ready for delivery.

Sec. 5.37. All bonds, and the interest or income therefrom, are exempt from all taxation in this State other than gift, inheritance and estate taxes.

Sec. 5.38. The authority may provide for the issuance, sale or exchange of refunding bonds for the purpose of redeeming or retiring any revenue bonds issued by the authority. All provisions of this act applicable to the issuance of revenue bonds are applicable to the funding or refunding bonds and to the issuance, sale or exchange thereof.

Sec. 5.39. Funding or refunding bonds may be issued in a principal amount sufficient to provide funds for the payment of all bonds to be funded or refunded thereby, and in addition for the payment of all expenses incident to the

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board will be benefited, the exterior boundaries of which portion are set forth on a map on file with the secretary of the district, which map shall govern for all details as to the extent of the proposed improvement district, and to call an election in such proposed improvement district on a date to be fixed, for the purpose of submitting to the qualified voters thereof the proposition of incurring indebtedness by the issuance of bonds of the district for said improvement district;

(d) That taxes for the payment of said bonds and the interest thereon shall be levied exclusively upon the taxable property in the improvement district;

(e) The extent to which, if at all, all or a portion of the revenues of the district are to be used as provided in Section 30803 to pay the principal of, interest on and sinking fund payments for said bonds, including the establishment and maintenance of any reserve fund therefor;

(f) That a general description of the proposed improvement, together with a map showing the exterior boundaries of said proposed improvement district with relation to the territory immediately contiguous thereto and to the proposed improvement is on file with the secretary of the district and is available for inspection by any person or persons interested;

(g) The time and place for a hearing by the board on the questions of the formation of said proposed improvement district, the extent thereof, the proposed improvement, the estimated cost and the amount of debt to be incurred; and

(h) That at the time and place specified in the resolution any person interested, including all persons owning property in the district or in the proposed improvement district, will be heard.

30961. Notice of said hearing shall be given by publishing a copy of the resolution declaring the necessity pursuant to Section 6066 of the Government Code prior to the time fixed for the hearing in at least one newspaper published in the district.

30962. At the time and place so fixed, or at any time and place to which the hearing is adjourned, the board shall proceed with the hearing. At the hearing any person interested, including any person owning property within the district or within the proposed improvement district, may appear and present any matters material to the questions set forth in the resolution declaring the necessity.



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calling, retiring or paying of such outstanding bonds, and the issuance of such funding or refunding bonds. These expenses include the difference in amount between the par value of the funding or refunding bonds and any amount less than par for which the funding or refunding bonds are sold, any amount necessary to be made available for the payment of interest upon such funding or refunding bonds from the date of sale thereof to the date of payment of the bonds to be funded or refunded or to the date upon which the bonds to be funded or refunded will be paid pursuant to the call thereof or agreement with the holders thereof, and the premium, if any, necessary to be paid in order to call or retire the outstanding bonds and the interest accruing thereon to the date of the call or retirement.

Sec. 5.40. All bonds issued under the provisions of this act are negotiable instruments, except when registered in the name of a registered owner.

Proceeds of Revenue Bonds

Sec. 10.1. The proceeds from the sale of all bonds authorized under the provisions of this act may be paid upon the direction of the authority either to the treasurer of the authority as custodian of the special trust fund, which fund is created by Section 10.2 hereof, to be held for the account of the authority, or may be paid direct to any bank or trust company designated as the fiscal agent and depository of the authority, as in this act provided. In the event a part of the cash proceeds of the sale or exchange of bonds is to be used for operating funds of the authority, such proceeds or part thereof may be placed in any fund designated in the indenture pursuant to which the bonds are issued.

Sec. 10.2. There is hereby created a fund to be known as the "Los Angeles Metropolitan Transit Authority Construction Fund", in the event the proceeds of the sale of bonds authorized under this act shall be paid to the

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30963. The board shall have power to change the purposes for which the proposed debt is to be incurred, or the estimated cost, or the amount of bonded debt to be incurred, or the boundaries of said proposed improvement district, or one or all of said matters; provided, however, that said board shall not change such boundaries so as to include any territory which will not, in its judgment, be benefited by said improvement.

30964. The purposes, estimated cost, amount of bonded debt or boundaries shall not be changed by said board except after notice of its intention to do so, given by publication pursuant to Section 6061 of the Government Code in at least one newspaper published in the district. Said notice shall state the changed purposes and estimated cost and debt proposed and that the exterior boundaries as proposed to be changed are set forth on a map on file with the secretary of the district, which map shall govern for all details as to the extent of the proposed improvement district, and specify the time and place for hearing on such change or changes, which time shall be at least ten (10) days after publication of said notice.

30965. At the time and place so fixed, or at any time and place to which the hearing is adjourned, the board shall proceed with the hearing. At the hearing any person interested, including any person owning property within the district or the proposed improvement district, may appear and present any matters material to the changes stated in the notice.

30966. At the conclusion of the hearing the board shall by resolution determine whether it is deemed necessary to incur the bonded indebtedness, and, if so, the resolution shall also state the purposes for which said proposed debt is to be incurred, the estimated cost of accomplishing said purposes, the amount of the proposed debt, that the exterior boundaries of the portion of the district which will be benefited are set forth on a map on file with the secretary of the district, which map shall govern for all details as to the extent of the improvement district, and that said portion of the district set forth on said map shall thereupon constitute and be known as "Improvement District No. \_\_\_\_ of the Southern California Rapid Transit District," and the determinations made in said resolution shall be final and conclusive.

30967. After the formation of such improvement district within the district pursuant to this article, all proceedings for the authorization and issuance of bonds of the district for such improvement district shall be limited and shall apply only to the improvement district; and taxes for the payment of said bonds and



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treasurer of the authority. Such construction fund shall at all times be kept separate and apart from all other funds and shall be held by the treasurer as a special fund for the account of the authority. The moneys in the construction fund shall be paid out and disbursed solely for the construction of the system pursuant to the provisions of this act, including surveys, preparation or acquisition of plans and specifications, engineering reports and studies, patents, rights, licenses and interests, and for the payment of all other costs and expenses prior to and during construction, including the acquisition of necessary rights of way, easements, lands and other property of every kind and description and appurtenances thereto, and the payment of all expenses, engineering, legal and administrative costs as provided by the authority in the proceedings for the issuance of such bonds. The treasurer shall keep an accurate account of all money deposited in and withdrawn from the construction fund.

Sec. 10.3. In the event the proceeds of the sale of bonds are deposited in a special construction fund in the custody of the treasurer, such moneys may be deposited as demand deposits in such depositary or depositaries as may be authorized by law to receive deposits of county funds.

Sec. 10.4. If any surplus shall exist in the construction fund after the payment in full of all costs of acquisition, construction and completion of the system or part thereof for which the revenue bonds were issued, the same may be paid out and disbursed for any of the purposes of the authority in addition to those for which it may be paid out and disbursed pursuant to Section 10.2 hereof, but subject to any agreement which may be made by the authority in any indenture for the issuance of the revenue bonds with respect to the application of such surplus.

Sec. 10.5. In lieu of depositing the proceeds of sale of said bonds with the treasurer, the authority may, in any indenture for the issuance of bonds, designate a trustee or fiscal agent, which shall be a bank or trust

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the interest thereon shall be levied exclusively upon the taxable property in the improvement district; and the revenues of the district shall be used only to the extent set forth in the resolution declaring the necessity.

30968. After the board has made its determination of the matters required to be determined by said last mentioned resolution, and if the board deems it necessary to incur the bonded indebtedness, the board shall by a further resolution call a special election in said improvement district for the purpose of submitting to the qualified voters thereof the proposition of incurring indebtedness by the issuance of bonds of the district for said improvement district. Said resolution shall state:

(a) That the board deems it necessary to incur the bonded indebtedness.

(b) The purposes for which the bonded indebtedness will be incurred.

(c) The estimated cost of accomplishing said purposes.

(d) The amount of the principal of the indebtedness to be incurred.

(e) The improvement district to be benefited by said indebtedness, as set forth in the resolution making determinations, and that a map showing the exterior boundaries of said improvement district is on file with the secretary of the district, which map shall govern for all details as to the extent of the improvement district.

(f) That taxes for the payment of such bonds and the interest thereon shall be levied exclusively upon the taxable property in said improvement district; and that revenues of the district shall be used only to the extent set forth in the resolution declaring the necessity.

(g) The maximum term the bonds proposed to be issued shall run before maturity, which shall not exceed fifty (50) years from the date thereof or the date of each series thereof.

(h) The maximum rate of interest to be paid, which shall not exceed 6 percent per annum.

(i) The proposition to be submitted to the voters which may include one or more purposes.

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company, or banks or trust companies, duly qualified to do business in this State, to receive the proceeds of such revenue bonds and to hold the same to the credit of a fund to be designated as the "Los Angeles Metropolitan Transit Authority Construction Fund", which fund shall be kept segregated and set apart from all other funds and shall be paid out and disbursed solely upon the application and demand of the authority.

Sec. 10.6. The authority may provide that the payment of interest becoming due and payable on the revenue bonds prior to and during the period of actual construction of the system or part thereof for which the bonds are issued, and for the period specified in the indenture for the issuance of the bonds, which period shall not exceed two (2) years after the completion of construction, and that the payment of all costs and expenses of administration during a period of one year after the completion of construction of the system or part thereof, shall be made out of the construction fund as the need therefor shall arise, and any moneys in the construction fund are hereby made available for such purposes.

Sec. 10.11. Notwithstanding any of the foregoing provisions of this chapter, the revenue bond indenture may specify the fund or funds into which any part of the proceeds from the sale or exchange of the bonds shall be paid and the uses of such fund or funds. The revenues likewise may be payable into such fund or funds as may be provided in said indenture and shall be used only as authorized in said indenture.



(j) The date of the election.

(k) The manner of holding the election and the procedure for voting for and against the measure.

30969. Thereafter the provisions relating to the authorization and issuance of general obligation bonds, Section 30901 to 30913, inclusive, shall apply.

30970. Any action or proceeding, wherein the validity of the formation of the improvement district or of any such bonds or of the proceedings in relation thereto is contested, questioned, or denied, shall be commenced within three (3) months from the date of such election; otherwise, said bonds and all proceedings in relation thereto, including the formation of the improvement district, shall be held to be valid and in every respect legal and incontestable.

#### Article 6. Miscellaneous

30980. The district may bring an action to determine the validity of any of its bonds, equipment trust certificates, warrants, notes or other evidences of indebtedness pursuant to Chapter 9 (commencing with Section 860) Title 10 of Part 2 of the Code of Civil Procedure.

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with Section 30981 of SCRTD Law

Sec. 8.1. The holder of any bond issued pursuant to this act may for the equal benefit and protection of all holders of bonds similarly situated (a) by mandamus or other appropriate proceedings, require and compel the performance of any of the duties imposed upon the authority or assumed by it, its officers, agents or employees, in connection with the acquisition, construction, operation, maintenance, repair, reconstruction or insurance of the system, or the collection, deposit, investment, application and disbursement of rates, fares, tolls or charges and all other revenues derived from the operation and use of the system or in connection with the deposit, investment and disbursement of the proceeds received from the sale of bonds under this act; (b) by action or suit in equity, require the authority to account as if it were the trustee of an express trust, or enjoin any acts or things which may be unlawful or in violation of the rights of the holders of the bonds or apply for the appointment of a receiver of the system; or (c) by action or suit in equity, apply for the appointment of a receiver of the system and of the business and assets of the authority, if the authority is insolvent or in imminent danger of insolvency, or if in any other circumstances a receiver of the system may properly be appointed according to the usages of courts of equity. The enumeration of such rights and remedies does not, however, exclude the exercise or prosecution of any other rights or remedies available to the holders of bonds issued pursuant to this act.

30981. Notwithstanding any other provisions of this part or any other law, the provisions of all ordinances, resolutions and other proceedings in the issuance by the district of any general obligation bonds, general obligation bonds with a pledge of revenues, bonds for improvement districts, revenue bonds, equipment trust certificates, notes, or any and all evidences of indebtedness or liability shall constitute a contract between the district and the holders of such bonds, equipment trust certificates, notes or evidences of indebtedness or liability and the provisions thereof shall be enforceable against the district, any or all of its successors or assigns, the State, any department of the State, or any officer thereof, by mandamus or any other appropriate suit, action or proceeding in law or in equity in any court of competent jurisdiction. Nothing contained in this part or in any other law shall be held to relieve the district or the territory included within it from any bonded or other debt or liability contracted by the district. Upon dissolution of the district or upon withdrawal of territory therefrom, the property formerly included within the district or withdrawn therefrom shall continue to be liable for the payment of all bonded and other indebtedness or liabilities outstanding at the time of such dissolution or withdrawal the same as if the district had not been so dissolved or the territory withdrawn therefrom, and it shall be the duty of the State or other successors or assigns to provide for the payment of such bonded and other indebtedness and liabilities. Except as may be otherwise provided in the proceedings for the authorization, issuance and sale of any revenue bonds, general obligation bonds secured by a pledge of revenues or bonds for improvement district secured by a pledge of revenues, revenues of any kind or nature derived from any revenue-producing improvements, works, facilities or property owned, operated or controlled by the district shall be pledged, charged, assigned and have a lien thereon for the payment of such bonds as long as the same are outstanding, regardless of any change in ownership, operation or control of such revenue-producing improvements, works, facilities or property and it shall, in such later event or events, be the duty of the State or other successors or assigns to continue to maintain and operate such revenue-producing improvements, works, facilities or property as long as bonds are outstanding.

30982. All bonds and other evidences of indebtedness issued by the district under the provisions of this part, and the interest thereon, are free and exempt from all taxation within the State of California, except for transfer, franchise, inheritance and estate taxes.

## LAMTA Act

### Provisions of LAMTA Act Most Closely Corresponding with Sections 31000-31005 of SCRTD Law

#### Effect of LAMTA Act on prior legislation

Sec. 12.4. The "Los Angeles Metropolitan Transit Authority Act of 1957," insofar as it is substantially the same as the "Los Angeles Metropolitan Transit Authority Act," Chapter 1668 of the Statutes of 1951, repealed upon the enactment of this act shall be construed as a restatement and continuation of the existing law and not as a new enactment nor shall anything in this act impair the existence, the validity, the rights, or the obligations of the Los Angeles Metropolitan Transit Authority created by the "Los Angeles Metropolitan Transit Authority Act," and all property, plans, obligations, contracts and undertakings of said Los Angeles Metropolitan Transit Authority shall, upon the effective date of this act, continue to be vested in the authority.

Sec. 12.5. No action or proceeding relating to or arising  
(contd. on p. 185)



CHAPTER 8. PROVISIONS RELATING TO THE  
LOS ANGELES METROPOLITAN TRANSIT AUTHORITY

31000. On the date (which is hereinafter referred to as "merger date") of the second regular meeting of the board held pursuant to Section 30251 that follows the meeting referred to in Section 30227 the Los Angeles Metropolitan Transit Authority (herein sometimes referred to as "authority") shall be merged into the district. Such merger shall be effective upon the recording with the Recorder of the County of Los Angeles of the certificate provided for in Section 31001.

Upon such merger the separate existence of the authority ceases, and the district shall succeed, ipso facto and by operation of law and without other transfer, to all the rights and property of the authority, and shall be subject to all the legally enforceable debts and liabilities of the authority, in the same manner as if the district had itself incurred them.

All rights of creditors and all liens upon the property of the authority shall be preserved unimpaired, limited in lien to the property affected by such liens immediately prior to the time of the merger.

Any action or proceeding pending by or against the authority may be prosecuted to judgment, which shall bind the district, or the district may be proceeded against or substituted in its place.

For the protection of the holders of the outstanding, unmatured bonds and other evidences of indebtedness of the authority, the district shall have power to take all actions and do all things necessary or required for the protection of such holders and for compliance with the terms of such bonds and other evidences of indebtedness; and the district shall have power to continue all services which the authority is furnishing on the merger date whether such buslines and services are partly or wholly within or without the district, or within or without the County of Los Angeles.

31001. Upon the merger date, the secretary of the district shall record in the office of the Recorder of the County of Los Angeles a certificate setting forth the date upon which the Southern California Rapid Transit Law became effective and stating

Provisions of LAMTA Act Most Closely Corresponding with  
Sections 31000-31005 of SCRTD Law (contd. from p. 183)

out of the "Los Angeles Metropolitan Transit Authority Act" repealed upon the enactment of this act commenced before the effective date of this act, and no right accrued, pursuant to the "Los Angeles Metropolitan Transit Authority Act," is affected by the provisions of this act, but any step thereafter taken in such action or proceeding shall conform to the provisions of this act so far as possible.

Sec. 12.6. All persons who, at the time this act goes into effect, are officers or employees operating under the "Los Angeles Metropolitan Transit Authority Act" repealed upon the enactment of this act shall continue to be officers or employees of the authority as though the "Los Angeles Metropolitan Transit Authority Act" had not been repealed.

(contd. on p. 187)

that the district was created by such law and that by virtue of Section 31000 thereof the district succeeded on the merger date, without other transfer, to all the rights and property of the authority subject to all the legally enforceable debts and liabilities of the authority.

31002. A copy of the certificate provided for in Section 31001 certified by the Recorder of the County of Los Angeles is, except as against the State, conclusive evidence of the transfer to the district of all the rights and property of the authority subject to all the legally enforceable debts and liabilities of the authority, all as provided in Section 31000 of this part.

31003. On said merger date, all employees of the authority shall become employees of the district with all the same rights, privileges and compensation they had as employees of the authority.

31004. It is the intent of this part that the board of directors of the district shall have a free choice as to officers of the district mentioned in Section 30300 who are not members of the board of directors. At the merger date such officers shall be appointed on a permanent or pro tem basis, in the discretion of the board. Prior to that time, however, the following shall serve as ex officio officers of the district:

Secretary--the Clerk of the Board of Supervisors of the County of Los Angeles.

General Manager--the Chief Administrative Officer of the County of Los Angeles.

General Counsel--the County Counsel of the County of Los Angeles.

Treasurer--the Treasurer of the County of Los Angeles.

Auditor--the Auditor of the County of Los Angeles.

The Board of Supervisors of the County of Los Angeles is authorized and directed to make available to the district its hearing room and other space, personnel and facilities so that the district can be organized and the transfer of operations be completed in an orderly businesslike manner.

31005. Whenever the board deems it necessary, it may issue bonds to refund all outstanding, unmatured bonds of the authority which are subject to call and redemption prior to maturity. The

## LAMTA Act

### Provisions of LAMTA Act Most Closely Corresponding with Sections 31000-31005 of SCRTD Law (contd. from p. 185)

Sec. 13.1. The "Los Angeles Metropolitan Transit Authority Act," Chapter 1668 of the Statutes of 1951, is repealed.

### Continuation of acquired services

Sec. 6.11. The authority shall not discontinue or abandon transit services of a publicly or privately owned public utility acquired by the authority except upon substitution by the authority of services adequate to serve the demand for mass rapid transit in the same community as such demand then exists.



amount of such bonds shall include the principal and, if necessary, the interest of the bonds to be refunded, the premiums payable upon call and redemption thereof and all expenses of the trustee for the refunding, the calling of said bonds for redemption and any other incidental expenses. The refunding bonds shall be authorized and issued in the manner provided for herein as a separate issue or as a part of another issue for any purpose authorized in this part.

LAMTA Act

Provisions of LAMTA Act Most Closely Corresponding  
with Sections 31400-31413 of SCRTD Law

[no comparable provisions]

## CHAPTER 9. ANNEXATION AND EXCLUSION

31400. The governing body of any city, which is not within the district, may apply to the board of directors of the district for consent to annex the corporate area of such city to the district. The board of supervisors of the County of Los Angeles and any other county may apply to the board of directors of the district for consent to annex any unincorporated county territory to the district.

31401. The board of directors may grant or deny such application and in granting the same may fix the terms and conditions upon which the corporate area of city or unincorporated county territory may be annexed to and become a part of the district. Such terms and conditions may provide, among other things, without limitation, (a) for the levy by the district of special taxes upon taxable property within such city or such unincorporated county territory in addition to the taxes elsewhere in this part authorized to be levied by the district, and in case such terms and conditions shall provide for the levy of such special taxes, the board of directors in fixing such terms and conditions shall specify the aggregate amount to be so raised and the number of years prescribed for raising such aggregate sum, and that substantially equal annual levies will be made for the purpose of raising such sum over the period so prescribed, and (b) representation of the city or unincorporated county territory, as the case may be, on the board or in an advisory capacity to the board; provided, however, that the membership of the board and the appointment thereof shall not be changed unless the terms and conditions are approved by a unanimous vote of all members of the board.

31402. The action of the board of directors evidenced by resolution shall be promptly transmitted to the governing body of such applying city or board of supervisors, and if such action shall grant consent to such annexation, such governing body or board of supervisors may thereupon submit to the qualified electors of such city or the unincorporated county territory, at any general or special election held therein, the proposition of such annexation subject to the terms and conditions fixed as herein provided. Notice of such election shall be given by posting at least 10 days and in three public places in the unincorporated county territory and by publication once at least 10 days before the date fixed for the election in a newspaper of general circulation published in the county or in the city.

Provisions of LAMTA Act Most Closely Corresponding with  
Sections 31400-31413 of SCRTD Law (contd. from p. 189)

[no comparable provisions]



31403. The notice shall contain the substance of the terms and conditions fixed by the board of directors, as provided in Section 31401. Such election shall be conducted and the returns thereof canvassed in the manner provided by law for elections in such city or county as the case may be. If the proposition shall receive the affirmative vote of a majority of electors voting thereon at such election, the governing body of such city or the board of supervisors of the county shall certify the result of such election on the proposition to the board of directors of the district, together with a legal description of the boundaries of the corporate area of such city as of the date of the election, or the boundaries of such unincorporated county territory, accompanied by a map or plat indicating such boundaries.

31404. A certificate of proceedings shall be made by the secretary of the district and filed with the Secretary of State. Upon the filing thereof in the office of the Secretary of State, the corporate area of such city as of the date of the election or such unincorporated county territory shall become, and be, an integral part of the district, and the taxable property therein shall be subject to taxation thereafter for all purposes of the district, including, without limitation, the payment of bonds and other obligations of the district at the time authorized or outstanding, and the board of directors of the district shall be empowered to do all things necessary to enforce and make effective the terms and conditions of annexation fixed as hereinabove authorized.

31405. Upon the filing in his office of the aforesaid certificate of proceedings, the Secretary of State shall, within 10 days, issue his certificate, reciting the filing of such papers in his office and the annexation of the corporate area of such city as of the date of the election or such unincorporated county territory to the district. The Secretary of State shall transmit the original of his said certificate to the secretary of the district and shall forward a certified copy thereof to the county clerk of each county in which is situated such district or any portion thereof.

31407. If territory is annexed to a city or consolidated with a city, the corporate area of which has been included in the district, or, if a new city is incorporated, a portion of which is within the district, such annexed, consolidated, or incorporated territory as is not already within the district shall simultaneously with its annexation to the city or consolidation with a city or its incorporation as a city be annexed to the district, and shall become and be, an integral part of the district and

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Provisions of LAMTA Act Most Closely Corresponding with  
Sections 31400-31413 of SCRTD Law (contd. from p. 191)

[no comparable provisions]

the taxable property therein shall be subject to taxation thereafter for all purposes of the district, including, without limitation, the payment of bonds and other obligations of the district at the time authorized and outstanding, and the board of directors of the district shall be empowered to do all things necessary to enforce and make effective this section.

31408. If the applicable provisions of law governing such annexation to, or consolidation with, such municipality or such incorporation shall require any notice of any election called for the purpose of determining whether such proposed annexation, consolidation or incorporation shall occur, or shall require any notice of hearing or other notice to be given to the residents or electors of, or owners of property in, such territory, such notice shall contain a statement that the territory shall be annexed to the district, and shall become and be an integral part of the district and the taxable property therein shall be subject to taxation thereafter for all purposes of the district, including, without limitation, the payment of bonds and other obligations of the district at the time authorized and outstanding. The governing body of such city or other officer thereof having the duty of certifying the proceedings resulting in such annexation to, or consolidation with, such city, or such incorporation of, pursuant to the provisions of law applicable thereto, shall include in such certification a record of the proceedings by which such territory has been annexed to the district in accordance with the provisions of this article, and shall file a duplicate of such certificate with the board of directors of the district.

31409. The validity of any proceedings resulting in the annexation of territory to the district shall not be contested in any action unless such action shall have been brought within three months after the completion of such annexation.

31410. If any portion of the corporate area of any city whose corporate area is a part of the district, shall be excluded from such city in accordance with the provisions of law applicable to such exclusions, and, if such area is not within the boundaries of the district as defined in Chapter 2 (commencing with Section 30100) of this part, or, if in another county is not surrounded by territory which is a part of the district, then such excluded area shall thereby be excluded from and shall no longer be a part of the district, but the taxable property within such excluded area shall continue taxable pursuant to Section 30981.

31411. Any city whose corporate area is a part of the district and any county with regard to any unincorporated territory

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Provisions of LAMTA Act Most Closely Corresponding with  
Sections 31400-31413 of SCRTD Law (contd. from p. 193)

[no comparable provisions]



which is a part of the district, may apply to the board of directors of the district for consent to exclude such area from the district. The board of directors may grant or deny such application and in granting the same may fix the terms and conditions upon which a corporate area of the city or such unincorporated county territory may be excluded from the district. Such terms and conditions shall include, without limitation, exclusion of the city or unincorporated county territory, as the case may be, from representation on the board or in an advisory capacity to the board. The action of the board of directors evidenced by resolution shall be promptly transmitted to the governing body of such applying city or board of supervisors and if such action shall grant consent to such exclusion the governing body of the city or the board of supervisors of the county, as the case may be, may submit to the electors of the city or such unincorporated county territory at any general or special election the proposition of excluding from the district the corporate area of such city or such unincorporated county territory. Notice of such election shall be given in the manner provided in Section 31402. Such election shall be conducted and the returns thereof canvassed in the manner provided by law for the conduct of elections in such city or county. In the event that the majority of the electors voting thereon vote in the favor of such withdrawal, the result thereof shall be certified by the governing body of such city or the board of supervisors of such county to the board of directors of the district. A certificate of the proceedings hereunder shall be made by the secretary of the district and filed with the Secretary of State, and upon the filing of such certificate the corporate area of such city or such unincorporated county territory shall be excluded from the district, and shall no longer be a part thereof; provided, however, that the property within such city as such city shall exist at the time of such exclusion, or within such unincorporated county territory shall continue taxable pursuant to Section 30981. Upon the filing in his office of the aforesaid certificate of proceedings the Secretary of State shall, within 10 days, issue his certificate, reciting the filing of said papers in his office and the exclusion of the corporate area of such city or such unincorporated county territory from the district. The Secretary of State shall transmit the original of his certificate to the secretary of the district and shall forward a certified copy thereof to the county clerk of each county in which is situated such district or any portion thereof.

31412. Whenever any change is made in the boundaries of this district by the annexation or exclusion of any city or any unincorporated county territory pursuant to this chapter, the

Provisions of LAMTA Act Most Closely Corresponding with  
Sections 31400-31413 of SCRTD Law (contd. from p. 195)

[no comparable provisions]

district shall comply with the provisions of Sections 54900, 54901, and 54902 of the Government Code.

31413. No consent to annexation or exclusion shall be made by the board of directors of the district pursuant to this chapter, and no annexation or exclusion shall be made pursuant to this part or pursuant to any other law, which is in violation of all or any part of any ordinance, resolution or other proceeding taken by the district in the issuance of bonds, certificates, notes or any and all other evidences of indebtedness or liability of the district.

Provisions of LAMTA Act Most Closely Corresponding  
with Section 31520 of SCRTD Law

Sec. 12.2. If any section, subsection, sentence, clause or phrase of this act is for any reason held to be unconstitutional or invalid or unenforceable, such decision shall not affect the validity or enforceability of the remaining portions of the act. The Legislature hereby declares that it would have passed this act, and each section, subsection, sentence, clause and phrase hereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses and phrases may be declared unconstitutional, invalid or unenforceable.

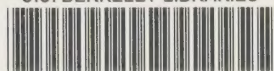
Sec. 12.3. This act shall not operate to rescind or repeal any other act of the State of California providing for the issuance of revenue bonds or the creation of any other authority for any other purpose.



## CHAPTER 10. SEVERABILITY

31520. If any section, subsection, sentence, clause, or phrase of this part, or the application thereof to any person or circumstance, is for any reason held invalid, the validity of the remainder of this part, or the application of such provision to other persons or circumstances, shall not be affected thereby. The Legislature hereby declares that it would have passed this part, and each section, subsection, sentence, clause, and phrase thereof, irrespective of the fact that one or more sections, subsections, sentences, clauses or phrases, or the application thereof to any person or circumstance, be held invalid.

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